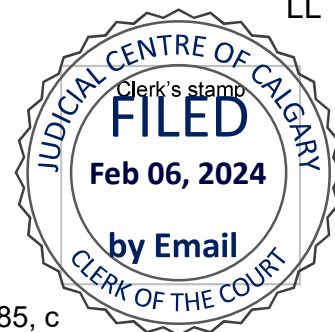


COURT FILE NUMBER 2401- 01778  
 COURT COURT OF KING'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE COMPANIES'  
 CREDITORS ARRANGEMENT ACT, RSC 1985, c  
 C-36, AS AMENDED

Feb 7, 2024  
 COM

AND IN THE MATTER OF A PLAN OF  
 COMPROMISE OR ARRANGEMENT OF  
 COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., 2199931 ALBERTA LTD., COLLISION  
 KINGS 3 LTD., NICK'S REPAIR SERVICE LTD.,  
 10026923 MANITOBA LTD. and BUNZY'S AUTO  
 BODY LTD.

APPLICANTS COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., 2199931 ALBERTA LTD., COLLISION  
 KINGS 3 LTD., NICK'S REPAIR SERVICE LTD.,  
 10026923 MANITOBA LTD. and BUNZY'S AUTO  
 BODY LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE  
 AND CONTACT  
 INFORMATION OF  
 PARTY FILING THIS  
 DOCUMENT

**MLT AIKINS LLP**  
 Barristers and Solicitors  
 360 Main St. 30<sup>th</sup> Floor  
 Winnipeg, MB R3C 4G1  
 Telephone: 204.957.4663  
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 Attention: JJ Burnell  
 Email: jburnell@mltaikins.com  
 File No.: 0137640.00022

**AFFIDAVIT OF SHANE DAERDEN**  
**Sworn January 30, 2024**

I, Shane Daerden, of the City of Winnipeg, in the Province Manitoba, SWEAR AND SAY THAT:

1. I am the sole director and the President of Collision Kings Group Inc. (“**CKGI**”) and as such, I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based on information and belief, in which case, I verily believe the same to be true.
2. CKGI, CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. are collectively referred to herein as the “**Applicants**” or the “**Collision Kings Group**”.
3. As set out in further detail below, CKGI is the parent company for the rest of the Collision Kings Group entities and centrally manages the finances and business operations for each location within the Collision Kings Group.
4. Unless otherwise indicated, monetary references in this affidavit are references to Canadian dollars.

#### **I. RELIEF SOUGHT**

5. This affidavit is sworn in support of two applications: an application scheduled for February 7, 2024 (the “**Initial Order Application**”) for an Order (the “**Initial Order**”) in respect of the Applicants pursuant to the *Companies’ Creditors Arrangement Act*, RSC, 1985 c C-36, as amended (the “**CCAA**”), and an application scheduled for February 14, 2024 (the “**Comeback Date**”) for an amended and restated Initial Order (“**ARIO**”).
6. At the Initial Order Application, the Applicants are seeking approval of the Initial Order substantially in the form attached hereto as **Schedule “A”** providing for the following relief:
  - (a) declaring service of the Initial Order Application and supporting materials good and sufficient, and if necessary, abridging time for notice of the Applications to the time actually given;
  - (b) declaring that the Applicants are companies to which the CCAA applies;
  - (c) authorizing the Applicants to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”) and continue

to carry on business in a matter consistent with the preservation of their business (the “**Business**”) and Property;

- (d) authorizing the Applicants to pay their reasonable expenses incurred in carrying out their business in the ordinary course, including certain expenses incurred prior to the date of the Initial Order;
- (e) staying, for an initial period of not more than ten (10) days (the “**Stay Period**”) all proceedings, rights and remedies against or in respect of the Applicants or their Business or Property, or the Monitor (as defined below), except as otherwise set forth in the Initial Order or otherwise permitted by law;
- (f) appointing FTI Consulting Canada Inc. (“**FTI**”) as the monitor (the “**Monitor**”) of the Applicants in these proceedings;
- (g) restraining any Person (as defined in the Initial Order) from accelerating performance of any rights in respect of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Honourable Court;
- (h) restraining any Person from interfering with the supply of goods or services to the Applicants;
- (i) authorizing the Applicants to pay the reasonable fees and disbursements of the Monitor and its counsel and the Applicants’ professional advisors and legal advisors;
- (j) authorizing the Applicants to obtain interim financing on the terms and conditions set out herein;
- (k) granting the following priority to the Court-ordered charges on the Property of the Applicants:
  - (i) First – an administration charge (the “**Administration Charge**”) not exceeding an aggregate amount of \$500,000.00 as security for the professional fees and disbursements of the Monitor, counsel for the Monitor and counsel for the Applicants, both before and after the approval of the Initial Order;

- (ii) Second – an interim financing charge (the “**Interim Lender’s Charge**”) not exceeding the principal sum of \$600,000, plus interest, costs and expenses in favour of The Toronto-Dominion Bank (in such capacity, the “**Interim Lender**”) as security for any advances made from the Interim Lender pursuant to the interim financing term sheet (the “**Interim Financing Term Sheet**”) enclosed hereto at Exhibit “71”; and
- (iii) Third – a directors and officers charge (the “**Directors’ Charge**”) up to the aggregate amount of \$400,000.00 as security for the liabilities to which the Applicants’ directors and officers may be exposed after the commencement of these CCAA proceedings, except to the extent any obligation was incurred as a result of any director or officer’s gross negligence or wilful misconduct;
- (l) providing for the Comeback Application on February 14, 2024 in respect of the relief granted under the Initial Order and certain other additional relief;
- (m) approving the Applicants’ proposed form of sale investment and solicitation process (the “**SISP**”), including the proposed form of Stalking Horse Asset Purchase Agreement (the “**Stalking Horse Bid**”), substantially in the form attached hereto as Exhibit “72”; and
- (n) sealing my Confidential Supplemental Affidavit, sworn on January 30, 2024 (the “**Confidential Supplement**”).

7. At the Comeback Date, the Applicants are seeking:

- (a) an Amended and Restated Initial Order (the “**ARIO**”) providing for the following relief:
  - (i) extending the Stay Period to March 29, 2024;
  - (ii) increasing the Interim Lender’s Charge to the principal sum of \$1,125,000.00, plus interest, costs and expenses;
  - (iii) granting a fourth-ranking charge against the Applicants’ Property for a retention and incentive plan (“**RIP**”) charge up to the amount of \$425,000 for individuals identified as critical management personnel of the Applicants

in order to retain and incentivize those parties to ensure the success of the CCAA proceedings; and

- (iv) declaring certain essential suppliers to be critical suppliers in accordance with section 11.4 of the CCAA;
- (b) a Sale Approval and Vesting Order (the “**SAVO**”) approving the Stalking Horse Bid and authorizing the Applicants to enter into and close the transaction contemplated therein, in the event that the Stalking Horse Bid is selected as the Successful Bid or the Winning Bid (as those terms are defined in the SISP); and
- (c) such further and other relief as this Honourable Court may deem just.

8. For the reasons set out herein, I verily believe that the Applicants are insolvent and are companies to which the CCAA applies.

9. Attached hereto and marked as **Exhibit “1”** is a copy of the current organizational chart for the Applicants.

## II. BACKGROUND OF COLLISION KINGS GROUP

### A. Corporate Group

10. CKGI is incorporated and registered pursuant to the laws of the Province of Ontario and extra-provincially registered in the Provinces of Alberta and Saskatchewan. Attached hereto and collectively marked as **Exhibit “2”** are copies of Ontario, Saskatchewan and Alberta corporate registry searches respecting CKGI.

11. CMD Holdings Inc. (“**CMD Holdings**”) is incorporated and registered pursuant to the laws of the Province of Alberta. On September 25, 2020, CMD Holdings amalgamated with 2270683 Alberta Ltd. (“**227 Alberta**”). Attached hereto and marked as **Exhibit “3”** is a copy of an Alberta corporate registry search respecting CMD Holdings.

12. East Lake Collision Ltd., o/a CARSTAR East Lake (“**East Lake**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “4”** is a copy of an Alberta corporate registry search respecting East Lake.

13. Mayland Heights Collision Ltd., o/a CARSTAR Foothills (“**Mayland Heights**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and

marked as **Exhibit “5”** is a copy of an Alberta corporate registry search respecting Mayland Heights.

14. Sunridge Collision Ltd., o/a CARSTAR Sunridge (“**Sunridge**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “6”** is a copy of an Alberta corporate registry search respecting Sunridge.

15. Arrow Auto Body Ltd., o/a CARSTAR Burnsland (“**Arrow**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “7”** is a copy of an Alberta corporate registry search respecting Arrow.

16. Royal Vista Collision Ltd., o/a CARSTAR Royal Vista (“**Royal Vista**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “8”** is a copy of an Alberta corporate registry search respecting Royal Vista.

17. CMD Glass Ltd., o/a CARSTAR Ramsay (“**CMD Glass**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “9”** is a copy of an Alberta corporate registry search respecting CMD Glass.

18. Stathko Investments Ltd., o/a CARSTAR Downtown (“**Stathko Investments**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “10”** is a copy of an Alberta corporate registry search respecting Stathko Investments.

19. Collision Kings 3 Ltd., o/a CARSTAR Grande Prairie (“**CK3L**”), is incorporated and registered pursuant to the laws of the Province of Alberta. Attached hereto and marked as **Exhibit “11”** is a copy of an Alberta corporate registry search respecting CK3L.

20. 2199931 Alberta Ltd., o/a CARSTAR City Centre (“**219 Alberta**”), is incorporated and registered pursuant to the laws of the Province of Alberta and extra-provincially registered in the Province of Saskatchewan. Attached hereto and collectively marked as **Exhibit “12”** are copies of a Alberta and Saskatchewan corporate registry searches respecting 219 Alberta.

21. Nick’s Repair Service Ltd. (“**Nick’s Repair**”) is incorporated and registered pursuant to the laws of the Province of Manitoba. Attached hereto and marked as **Exhibit “13”** is a copy of a Manitoba corporate registry search respecting Nick’s Repair.

22. 10026923 Manitoba Ltd. ("**100 Manitoba**") is incorporated and registered pursuant to the laws of the Province of Manitoba. Attached hereto and marked as **Exhibit "14"** is a copy of a Manitoba corporate registry search respecting 100 Manitoba, the status for which is in the process of being updated.

23. Bunzy's Auto Body Ltd. ("**Bunzy's**") is incorporated and registered pursuant to the laws of the Province of Manitoba. Attached hereto and marked as **Exhibit "15"** is a copy of a Manitoba corporate registry search respecting Bunzy's.

24. CKGI is the 100% shareholder of CMD Holdings, CK3L, 219 Alberta, Nick's Repair, 100 Manitoba and Bunzy's.

25. CMD Holdings is the 100% shareholder of East Lake, Mayland, Sunridge, Arrow, Royal Vista, CMD Glass and Stathko Investments (collectively, the "**Calgary Locations**").

26. I am the sole director and President of CKGI.

## **B. Summary of Operations and Locations**

27. The corporate head office for CKGI is in Winnipeg, Manitoba; however, the Collision Kings Group primarily operates out of Alberta, with additional locations in Saskatchewan and Manitoba.

28. The following entities operate out of Alberta (collectively, the "**Alberta Locations**"):

- (a) CMD Holdings in Calgary;
- (b) East Lake in Calgary;
- (c) Mayland Heights in Calgary;
- (d) Sunridge in Calgary;
- (e) Arrow in Calgary;
- (f) Royal Vista in Calgary;
- (g) CMD Glass in Calgary;
- (h) Stathko Investments in Calgary;

- (i) CK3L in Grande Prairie; and
- (j) 219 Alberta in Lloydminster, AB.

29. The only Saskatchewan operation is operated by 219 Alberta, which operates an additional location in Lloydminster, Saskatchewan (collectively, the Alberta and Saskatchewan Lloydminster locations are referred to herein as the “**Lloydminster Locations**”).

30. The following entities operate out of Manitoba (collectively, the “**Manitoba Locations**”):

- (a) Nick’s Repair, in conjunction with 100 Manitoba, in Neepawa; and
- (b) Bunzy’s in Winnipeg.

31. The Collision Kings Group is in the business of providing autobody collision repairs and autobody mechanic work. Of the 12 locations operating within the Collision Kings Group, Mayland Heights and CMD Glass operate the two mechanical shops, and the remaining 10 operate the collision repair shops.

32. Collectively, the Collision King Group employs approximately 120 employees, which include a significant number of highly skilled technicians and mechanics. 219 Alberta operates two of the largest collision repair shops in Lloydminster, while CK3L operates one of the largest collision repair shops in Grande Prairie. Royal Vista and East Lake are among the largest collision repair shops in Calgary, operating out of premises that are each over 16,000 square feet in size. Collectively, the Alberta Locations are within the top-three largest multi-shop operations in the Province of Alberta under any franchise and collectively employ approximately 97 employees, which is the highest number of employees within the Collision Kings Group.

33. All entities within the Collision Kings Group other than the Manitoba Locations operate under various licensing and franchise agreements (collectively, the “**Franchise Agreements**”) with CARSTAR Canada Partnership, LP (“**Carstar**”), further details of which are set out herein.

34. Details about the different operating entities within the Collision Kings Group are summarized in the chart below:

<b>Alberta Locations</b>					
<b>Company</b>	<b>Parent Co.</b>	<b>City</b>	<b>Collision or Mechanic</b>	<b>Employees</b>	<b>Carstar Franchisee</b>



CKGI	Individually owned	Winnipeg	N/A	9	N/A
CMD Holdings	CKGI	Calgary	N/A	--	N/A
East Lake	CMD Holdings	Calgary	Collision	10	CARSTAR East Lake
Mayland Heights	CMD Holdings	Calgary	Mechanic	4	CARSTAR Foothills
Sunridge Collision	CMD Holdings	Calgary	Collision	10	CARSTAR Sunridge
Arrow Auto Body Ltd.	CMD Holdings	Calgary	Collision	12	CARSTAR Burnsland
Royal Vista	CMD Holdings	Calgary	Collision	11	CARSTAR Royal Vista
CMD Glass	CMD Holdings	Calgary	Mechanic	5	CARSTAR Ramsay
Stathko Investments	CMD Holdings	Calgary	Collision	11	CARSTAR Downtown
CK3L	CKGL	Grande Prairie	Collision	9	CARSTAR Grande Prairie
219 Alberta	CKGL	Lloydminster	Collision	16	CARSTAR City Centre
<b>Saskatchewan Location</b>					
219 Alberta	CKGL	Lloydminster	Collision	10	CARSTAR City Centre
<b>Manitoba Location</b>					
Nick's Repair	CKGL	Neepawa	Collision	7	No
100 Manitoba	CKGL	Neepawa	Collision	--	No
Bunzy's	CKGL	Winnipeg	Collision	6	No

35. As set out in more detail below, the various locations are funded through separate loans with various banks and operate independent banking accounts. In turn, CKGI manages all entities within the Collision Kings Group, including their finances, for a fee.

36. Around February 2020, in order to grow its presence in the Alberta market, CKGI entered into negotiations with CMD Holdings to acquire the Calgary Locations through a transaction whereby 227 Alberta was incorporated as a purchaser vehicle and acquired 100% of the shares of CMD Holdings, which owned all of the Calgary Locations. Following this acquisition, 227 Alberta and CMD Holdings amalgamated and CKGI acquired all of the issued and outstanding shares of CMD Holdings (the “**Calgary Acquisition**”). The transaction for the Calgary Acquisition closed in September 2020.

37. Collectively, the Calgary Locations are the largest group of shops and largest revenue group within the Collision Kings Group.

### **C. Overview of Financial Difficulties**

38. As a result of the Calgary Acquisition, CKGI was required to carry a higher debt load at a time when the COVID-19 pandemic and the associated restrictions and disruptions were in full force and effect. Critically, consumers were driving significantly less due to mandated remote work protocols and travel restrictions, and there were substantial delays in the supply chain.

39. With respect to the reduction in driving volumes, like any business, the Collision Kings Group business model depends on a certain level of intake. This level of intake is itself dictated by the amount of vehicles on the road. The higher the traffic volumes, the higher the number of collisions.

40. Throughout this period, our management group monitored traffic patterns through Google Maps and Apple Maps after the COVID-19 state of emergency was declared and observed reductions in traffic volumes.

41. While post COVID-19 traffic volumes have slowly started to increase, a significant number of workers have continued to work remotely, and our management group continues to observe reduced traffic volumes and the associated number of collisions.

42. In addition to the reduction in traffic volumes, pandemic-related disruptions in the global supply chain have greatly increased the costs associated with collision repair and mechanical work. These disruptions have included a global shortage of microchips, delays in obtaining automotive parts and significantly reduced inventory of new and used vehicles.

43. The global supply chain, and in particular the supply of autobody parts, was also affected as a result of: (i) the six-day obstruction of the Suez Canal on March 23, 2021; (ii) the drought in

the Panama Canal causing the pileup of major cargo ships through the Canal in the spring of 2023; (iii) the 13-day port strike by the British Columbia Maritime Employers Association union in Vancouver, British Columbia, which shut down operations at most of BC's marine terminals in July 2023; and (iv) the six-week United Auto Workers union strike in the United States in September 2023, during which automotive parts providers limited their distribution to only fill back orders within the United States.

44. A key component of autobody repair is turnaround time. As a result of the events described above, the typical turnaround time for the Collision King Group to repair and release a vehicle more than doubled compared to pre-pandemic numbers.

45. Delays in turnaround time increased labour costs, carrying costs and accommodation costs such as rental fees. It also reduced the amount of work in progress ("**WIP**") invoices that could be billed within a month by more than half. Typically, before the pandemic, the Applicants would bill about \$5 million per month, based on a 12-business day turnaround. With turnaround times at 24 business days, the monthly WIP reduced to about \$2.1 million, which significantly affected cash flows.

46. Because only some parts were available at any given time, this increased the number of "touches" on a vehicle, which contributed to the higher turnaround times and cost of labour. For example, if 19 out of 20 parts were readily available to repair a vehicle, the shop would be required to pay for and carry those 19 parts until the 20<sup>th</sup> part was available and the repair could be completed. The mechanics and technicians would be required to go into the vehicle several times and re-engage with the repairs as parts arrived, which increases the overall cost.

47. The increase in turnaround time was particularly costly for the Applicants' work with customers' insurance companies, which forms a substantial component of their business. Insurance companies typically agree to cover a schedule of costs and confirm each quote based on its compliance with the schedule. When a job ends up costing more, the autobody shop is often left to absorb the loss.

48. Insurance companies may also cover rental vehicle costs while a vehicle is in for repairs, but only up to a certain, pre-approved amount, after which the auto body is required to absorb the additional rental costs. As a result, the Applicants were required to pay a significant amount of additional rental costs while they were already carrying the cost of parts while they waited for the outstanding parts to arrive.

49. At times, Collision Kings Group would source a part from a retailers and pay full retail price for it to avoid the delays of waiting for the part to ship, which impacted the overall margin by increasing costs and resulting in customers dissatisfied with the costs and unlikely to return. Where possible, the Applicants sourced parts from local retailers, but were at times required to ship parts from Edmonton to Calgary, which also contributed to higher costs.

50. In other instances, cars would be repaired and released to the customer while certain parts were outstanding so that the customer would have to return to have the outstanding part installed when it arrived in inventory. This process also introduced additional costs that were not recoverable and negatively impacted margins.

51. In summary, the debt load for the Calgary Locations was at its highest following the Calgary Acquisition in September 2020 and was further increased after accessing capital under HASCAP loans (set out below). Because the Calgary Acquisition closed at a time when pandemic-era restrictions and global supply chain disruptions were at their peak, these locations were never able to achieve the gross revenues and profit necessary to service the debt.

52. Initially, the Applicants accessed wage subsidies and rent subsidies to help meet payroll and stay current on monthly lease payments. The Applicants also reduced general and administrative overhead to improve their margins.

53. However, when the pandemic-era subsidies were wound down, the Applicants posted a significant loss and were required to take on more debt to continue meeting their liabilities as they became due. Around October and November 2021, East Lake, Mayland Heights, Sunridge and 219 Alberta approached their primary secured lender, Toronto-Dominion Bank ("**TD Bank**") for additional working capital. On the advice of TD Bank, these entities applied for HASCAP loans, as guaranteed by the Business Development Bank of Canada ("**BDC**"). These applications were eventually processed and approved in the spring of 2022.

54. In March 2022, East Lake, Mayland Heights and Sunridge each obtained \$750,000 in HASCAP funding and in April 2022, 219 Alberta received \$1,000,000 in HASCAP funding, for a total of \$3,250,000 in HASCAP funds.

55. However, the additional injection of funds was not enough to service the debt in combination with low revenues. The Applicants were moved into TD Bank's special loans group thereafter.

56. At the same time, from late 2022 through 2023, certain vendors would only supply parts and materials on a cash-on-delivery basis and other vendors cut off the Applicants entirely. Critically, Keystone LKQ (“**Keystone**”) has agreed to continue supplying non-original equipment manufacturer parts and materials to the Collision Kings Group pursuant to an account that is paid monthly. All December purchases are due January 31, 2024. As of the date of swearing this Affidavit, the Applicants will be making its next scheduled payment to Keystone.

### III. ASSETS AND LIABILITIES

57. As at January 29, 2024, the estimated total value of the Collision Kings Group’s assets is \$7,205,553, consisting of cash, account receivables, work in progress, prepaid expenses/deposits, and fair market value of equipment, buildings and vehicles.

58. As at January 29, 2024, 2024, the estimated total value of the Collision Kings Group’s liabilities is approximately \$27,235,740, consisting of accounts payable, accrued liabilities and secured loans.

59. As set out in further detail below, the Collision King Group’s liabilities are comprised of the following as of January 29, 2024:

(a) Secured liabilities include:

- (i) TD Bank loans – \$12,946,474.41;
- (ii) Royal Bank of Canada (“**RBC**”) loans – \$268,925 (plus \$60,000 unsecured);
- (iii) Access Credit Union loans – \$515,359;
- (iv) 255318 Alberta Ltd. & Don Golden Autobody Ltd. – \$34,909
- (v) Christos Stathonikos Family Trust et al – \$525,000;
- (vi) Garth and Gail White – \$100,000; and
- (vii) 5993092 Manitoba Ltd., dba Rondex (“**Rondex**”) secured liabilities – \$572,917;

- (b) Unsecured liabilities:
  - (i) Access Credit Union – \$60,000;
  - (ii) Accounts payable – \$7,557,012;
  - (iii) Axalta Coating Systems Canada Company (“**Axalta**”) and Rondex – jointly owed approximately \$3,750,000;
  - (iv) Axalta trade accounts payable - \$230,772;
  - (v) Carstar franchise fee – \$400,112.01;
  - (vi) Equipment lease payments - \$150,851
- (c) Other liabilities:
  - (i) Civil Claims – \$396,848.55; and
  - (ii) Demand letters – \$513,392.94;
- (d) Government taxes and priority payables:
  - (i) Source deductions – \$0.00;
  - (ii) Provincial sales tax (Manitoba) – \$17,745.84;
  - (iii) Federal general sales tax (“**GST**”) – \$266,391; and
  - (iv) Workers Compensation payments – \$0.00.

60. A copy of CKGI’s audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit “16”** to this Affidavit.

61. A copy of CMD Holdings’ audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit “17”** to this Affidavit.

62. A copy of East Lake’s audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit “18”** to this Affidavit.

63. A copy of Mayland Heights' audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "19"** to this Affidavit.

64. A copy of Sunridge's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "20"** to this Affidavit.

65. A copy of Arrow's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "21"** to this Affidavit.

66. A copy of Royal Vista audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "22"** to this Affidavit.

67. A copy of CMD Glass' audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "23"** to this Affidavit.

68. A copy of Stathko Investments' audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "24"** to this Affidavit.

69. A copy of CK3L's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "25"** to this Affidavit.

70. A copy of 219 Alberta's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "26"** to this Affidavit.

71. A copy of Nick's Repair's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "27"** to this Affidavit.

72. A copy of 100 Manitoba's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "28"** to this Affidavit.

73. A copy of Bunzy's audited financial statements for the year ending July 31, 2022 are attached hereto and marked as **Exhibit "29"** to this Affidavit.

#### **A. Loan/Security Documents**

74. As noted above, even though the Collision Kings Group is centrally managed through CKGI, each of the Collision Kings Group entities is funded through different loan agreements and operates its own bank accounts.

**(a) TD Bank Loans**

75. TD Bank entered into loan agreements with the following entities (collectively, the “**TD Bank Loans**”):

- (a) CMD Holdings;
- (b) East Lake;
- (c) Mayland Heights;
- (d) Sunridge;
- (e) CK3L;
- (f) 219 Alberta; and
- (g) 227 Alberta.

76. Each of the TD Bank Loans is discussed in further detail below by entity.

(i) 219 Alberta

77. On August 6, 2019, TD entered into a loan agreement with 219 Alberta as amended by amending agreements dated November 1, 2019 and April 13, 2022 (collectively, the “**TD 219 Alberta Loan**”). Attached hereto and collectively marked as **Exhibit “30”** is a copy of the TD 219 Alberta Bank Loan. The TD 219 Alberta Bank Loan provided for the following credit facilities:

- (a) an operating loan in the amount of \$500,000.00, payable on demand;
- (b) a committed reducing term facility (single draw) in the amount of \$3,010,000.00 due within 60 months from the date of drawdown; and
- (c) a HASCAP term loan in the amount of \$1,000,000.00 with a 10 year maturity from the date of drawdown.

78. The TD 219 Alberta Bank Loan is secured by the following security;

- (a) a general security agreement from 219 Alberta in favour of TD Bank constituting a first charge on all 219 Alberta’s present and after acquired property (the “**219 Alberta GSA**”);



- (b) a guarantee of advances limited to the amount of \$955,000.00 executed in favour of TD Bank by Shane Daerden;
- (c) a HASCAP guarantee granted by BDC to TD Bank; and
- (d) a postponement and assignment of claims executed by CKGI;

(collectively, the “**219 Alberta Security Documents**”)

79. Attached hereto and collectively marked as **Exhibit “31”** are copies of the 219 Alberta Security Documents.

(ii) 227 Alberta

80. As set out above, on September 25, 2020, 227 Alberta amalgamated with CMD Holdings as part of the Calgary Acquisition. As a result, the TD 227 Alberta Loan Agreement (as defined below) continues in full force and effect between TD Bank and CMD Holdings.

81. On September 3, 2020, TD entered into a loan agreement with 227 Alberta, as reaffirmed by a master reaffirmation agreement dated September 16, 2020 (collectively, the “**TD 227 Alberta Loan**”). Attached hereto and collectively marked as **Exhibit “32”** is a copy of the TD 227 Alberta Loan. The TD 227 Alberta Loan provides for the following facilities to be provided to 227 Alberta:

- (a) an operating loan in the amount of \$800,000.00, payable on demand; and
- (b) a committed reducing term facility (single draw) in the amount of \$6,000,000.00 due within 60 months from the date of drawdown.

82. The TD and 227 Alberta Loan is secured by the following security;

- (a) a general security agreement from CMD Holdings in favour of TD Bank constituting a first charge on all CMD Holdings’ present and after acquired property;
- (b) a general security agreement from Arrow in favour of TD Bank constituting a first charge on all Arrow’s present and after acquired property;
- (c) a general security agreement from Sunridge in favour of TD Bank constituting a first charge on all Sunridge’s present and after acquired property;

- (d) a general security agreement from Royal Vista in favour of TD Bank constituting a first charge on all Royal Vista's present and after acquired property;
- (e) a general security agreement from CMD Glass in favour of TD Bank constituting a first charge on all CMD Glass' present and after acquired property;
- (f) a general security agreement from East Lake in favour of TD Bank constituting a first charge on all East Lake's present and after acquired property;
- (g) a general security agreement from Mayland Heights in favour of TD Bank constituting a first charge on all Mayland Heights' present and after acquired property;
- (h) a general security agreement from Stathko Investments in favour of TD Bank constituting a first charge on all Stathko Investments' present and after acquired property;
- (i) an unlimited guarantee of advances granted by each of Arrow, Sunridge, Royal Vista, CMD Glass, East Lake, Mayland Heights, Stathko Investments in favour of TD Bank respecting the obligations of CMD Holdings;
- (j) a subordination agreement and priority agreement whereby Christos Stathonikos Family Trust, Matthew Stathonikos Family Trust, David Stretz Family Trust, Domna Investments, 1427916 Alberta Inc. and 1427913 Alberta Inc. (collectively, the "**Stathonikos Vendors**") agreed to subordinate their security interest in CMD Holdings, 227 Alberta, Arrow, Sunridge, East Lake, CMD Glass, Mayland Heights, Stathko Investments and Royal Vista in favour of TD Bank (the "**Stathonikos Priority Agreement**");
- (k) an unlimited guarantee of advances granted in favour of TD Bank by Shane Daerden; and
- (l) a postponement and assignment of claims executed by CKGI (the "**CKGI Postponement**"),

(collectively, the "**227 Alberta Security Documents**")

83. Attached hereto and marked as **Exhibit “33”** are copies of the 227 Alberta Security Documents.

(iii) CMD Holdings, East Lake, Mayland Heights and Sunridge

84. On September 2, 2020, TD Bank entered into a loan agreement with CMD Holdings, East Lake, Mayland Heights and Sunridge, as amended by an Amending Loan Agreement dated March 3, 2022 (collectively, the “**March 2022 TD Bank Loan**”). Attached hereto and marked as **Exhibit “34”** is a copy of the March 2022 TD Bank Loan.

85. The March 2022 TD Bank Loan provided for three separate HASCAP term loans (the “**March 2022 HASCAP Term Loans**”) in the amount of \$750,000.00 each with a 10 year maturity from the date of drawdown.

86. The March 2022 TD Bank Loan is secured by the following security;

- (a) a HASCAP guarantee granted by BDC to TD Bank for each of the March 2022 HASCAP Term Loans.
- (b) a guarantee of advances limited to the amount of \$750,000.00 granted by each of Arrow, CMD Glass, Mayland Heights, Royal Vista, Stathko Investments and Sunridge in favour of East Lake;
- (c) a guarantee of advances limited to the amount of \$750,000.00 granted by each of Arrow, CMD Glass, East Lake, Royal Vista, Stathko Investments and Sunridge in favour of Mayland Heights; and
- (d) a guarantee of advances limited to the amount of \$750,000.00 granted by each of Arrow, CMD Glass, Mayland Heights, Royal Vista, Stathko Investments and East Lake in favour of Sunridge;

(collectively, the “**March 2022 TD Security Documents**”)

87. Attached hereto and collectively marked as **Exhibit “35”** are copies of the March 2022 TD Security Documents.

(iv) CMD Holdings, East Lake, Mayland Heights, Sunridge, 219 Alberta and CK3L

88. On December 1, 2022, TD Bank entered into a loan agreement with CMD Holdings, East Lake, Mayland Heights, Sunridge, 219 Alberta and CK3L, as amended by an amending

agreement executed December 1, 2022 (collectively, the “**December 2022 TD Loan**”). Attached hereto and collectively marked as **Exhibit “36”** is a copy of the December 2022 TD Bank Loan. The December 2022 TD Bank Loan provided for the following credit facilities:

- (a) an operating loan, available to each of the borrowers under the December 2022 TD Loan, in the amount of \$1,800,000.00, payable on demand and with a contractual term of September 21, 2025;
- (b) a committed reducing term facility (single draw), available to CMD Holdings, in the amount of \$4,214,286.00 with a contractual term of April 4, 2032;
- (c) a committed reducing term facility (single draw), available to East Lake, in the amount of \$750,000.00 with a contractual term of April 4, 2032;
- (d) a committed reducing term facility (single draw), available to Mayland Heights, in the amount of \$750,000.00 with a contractual term of March 21, 2032;
- (e) a committed reducing term facility (single draw), available to Sunridge, in the amount of \$750,000.00 with a contractual term of March 21, 2032;
- (f) a committed reducing term facility (single draw), available to 219 Alberta, in the amount of \$1,802,332.00 with a contractual term of November 22, 2024;
- (g) a committed reducing term facility available to 219 Alberta, in the amount of \$1,000,000.00 with a contractual term of June 28, 2032; and
- (h) a committed reducing term facility (single draw), available to CK3L, in the amount of \$920,524.00 with a contractual term of January 6, 2024.

89. The December 2022 TD Bank Loan is secured by the 219 Alberta GSA attached above at **Exhibit “31”**, all of the security documents within the package of 227 Alberta Security Documents attached above at **Exhibit “33”** (excluding the CKGI Postponement), and the following additional security:

- (a) a general security agreement granted by CK3L in favour of TD Bank constituting a first charge on all of CK3L’s present and after acquired property;
- (b) a general security agreement granted by CKGI in favour of TD Bank constituting a third charge on all of CKGI’s present and after acquired property

- (c) a personal guarantee of advances limited to the amount of \$955,000.00 granted by Shane Daerden in favour of TD Bank respecting the obligations of 219 Alberta;
- (d) a personal guarantee of advances limited to the amount of \$560,000.00 granted by Shane Daerden in favour of TD Bank respecting the obligations of CK3L;
- (e) an unlimited corporate guarantee of advances granted by CMD Holdings in favour of TD Bank respecting the obligations of East Lake, Mayland Heights, 219 Alberta, CK3L and Sunridge;
- (f) an unlimited corporate guarantee of advances granted by CK3L in favour of TD Bank respecting the obligations of CMD Holdings and 219 Alberta;
- (g) an unlimited corporate guarantee of advances granted by 219 Alberta in favour of TD Bank respecting the obligations of CMD Holdings, and CK3L;
- (h) an unlimited corporate guarantee of advances granted by CKGI in favour of TD Bank respecting the obligations of CK3L, 219 Alberta and CMD Holdings;
- (i) a corporate guarantee of advances limited to the amount of \$750,000.00 executed in favour of TD Bank for the obligations of East Lake by Arrow, CMD Glass, Mayland Heights, Royal Vista, Stathko Investments, and Sunridge;
- (j) a corporate guarantee of advances limited to the amount of \$750,000.00 granted by each of Arrow, CMD Glass, East Lake, Royal Vista, Stathko Investments, and Sunridge in favour of TD Bank respecting the obligations of Mayland Heights;
- (k) a corporate guarantee of advances limited to the amount of \$750,000.00 granted by each of Arrow, CMD Glass, Mayland Heights, Royal Vista, Stathko Investments and East Lake in favour of TD Bank respecting the obligations of Sunridge;
- (l) a subordination and priority agreement whereby Don Golden and Debbie Golden (via Don Golden, as defined below) agree to subordinate their security interest in CK3L in favour of TD Bank;
- (m) share pledge agreements from CKGI respecting its shares in each of CMD Holdings, 219 Alberta and CK3L ("**Share Pledge Agreements**"); and

(n) a postponement and assignment of claim from each of CMD Holdings and CK3L.

(collectively, the “**December 2022 TD Security Documents**”)

90. Attached hereto and collectively marked as **Exhibit “37”** are copies of the December 2022 TD Security Documents, excluding a copy of the Share Pledge Agreement respecting CMD Holdings’ shares, which to the best of my knowledge, was executed by the relevant parties.

**(b) RBC Loans**

91. On November 30, 2018, RBC entered into a loan agreement with 100 Manitoba (the “**RBC Bank Loan**”). Attached hereto and marked as **Exhibit “38”** is a copy of the RBC Bank Loan. The RBC Bank Loan provides for the following credit facilities:

- (a) a term loan facility (non-revolving) in the amount of \$245,000.00, due five years after the date of draw down; and
- (b) a term loan facility (non-revolving) in the amount of \$122,500.00, due ten years after the date of draw down.

92. The RBC Bank Loan is secured by the following security;

- (a) a general security agreement granted by 100 Manitoba in favour of RBC constituting a first ranking security interest in all personal property of 100 Manitoba (the “**100 Manitoba GSA**”);
- (b) a collateral mortgage granted by 100 Manitoba in favour of RBC in the amount of \$490,000.00 constituting a first fixed charge on the lands and improvements located at 149 Pth 16 W., Neepawa, MB;
- (c) a guarantee and postponement of claim from [REDACTED] in the amount of \$322,500.00;
- (d) a guarantee and postponement of claim from [REDACTED] in the amount of \$322,500.00 (the “**Akerstream RBC Guarantee**”);
- (e) a guarantee and postponement of claim from Shane Daerden in the amount of \$322,500.00;

- (f) a guarantee and postponement of claim from [REDACTED] in the amount of \$322,500.00;
- (g) a guarantee and postponement of claim from Nick's Repair in the amount of \$322,500.00, supported by a general security agreement constituting a first ranking security interest in all personal property of Nick's Repair;
- (h) a guarantee and postponement of claim from CKGI in the amount of \$322,500.00, supported by a general security agreement constituting a first ranking security interest in all personal property of CKGI;
- (i) a postponement and assignment of claim from Gail White, together with a letter signed by the RBC permitting 100 Manitoba to make payments to Gail White subject to certain terms and conditions; and
- (j) a postponement and assignment of claim from Garth White, together with a letter signed by the RBC permitting 100 Manitoba to make payments to Garth White subject to certain terms and conditions.

(collectively, the "**100 Manitoba Security Documents**")

93. Attached hereto and marked as **Exhibit "39"** are copies of the 100 Manitoba Security Documents, excluding the 100 Manitoba GSA and the Akerstream RBC Guarantee, which to the best of my knowledge, were executed by the relevant parties.

**(c) Access Credit Union Loans**

94. On September 12, 2018, Crosstown Civic Credit Union ("**CCCU**"), which has since merged with Access Credit Union ("**ACU**"), entered into a loan agreement with Bunzy's, as amended by a Loan Renewal Agreement dated June 19, 2023 (collectively, the "**ACU Bank Loan**"). Attached hereto and collectively marked as **Exhibit "40"** is a copy of the ACU Bank Loan. On July 31, 2018, Bunzy's amalgamated with 10021134 Manitoba Ltd.

95. The ACU Bank Loan provides for the following facilities to be provided to Bunzy's:

- (a) a line of Credit in the amount of \$50,000.00; and
- (b) a Commercial Mortgage Loan in the amount of \$594,757.00.

96. The ACU Bank Loan is secured by the following security;

- (a) a fixed rate demand promissory note in the principal sum of \$594,757.00 executed by Bunzy's in favour of CCCU on September 13, 2018;
- (b) a general security agreement in favour of ACU on all assets presently owned and after acquired by Bunzy's and 10021134 Manitoba Ltd.;
- (c) joint and several guarantees from Shane Daerden, [REDACTED], [REDACTED], and [REDACTED] for \$598,000.00;
- (d) corporate guarantees from [REDACTED] and CKGI for \$598,000.00;
- (e) a registered multi-purpose first mortgage for \$750,000.00 over 52 Austin Street, Winnipeg; and
- (f) an assignment and postponement of shareholder loans ("**Assignment of Shareholder Loans**").

(collectively, the "**ACU Security Documents**")

97. Attached hereto and marked as **Exhibit "41"** are copies of the ACU Security Documents, excluding a copy of the Assignment of Shareholder Loans, which to the best of my knowledge was executed by the relevant parties.

**(d) Don Golden Autobody Loan**

98. On August 1, 2019, CK3L executed a promissory note (the "**Don Golden Promissory Note**") in favour of Don Golden Autobody Ltd. ("**Don Golden**") in the principal sum of \$320,000.00. Attached hereto and marked as **Exhibit "42"** is a copy of the Don Golden Promissory Note.

99. The Don Golden Promissory Note is secured by the following security:

- (a) a general security agreement granted by CK3L in favour of Don Golden in respect of all present and after-acquired personal property of CK3L; and
- (b) an unlimited personal guarantee granted by Shane Daerden in favour of Don Golden respecting the obligations of CK3L.

(collectively, the "**Don Golden Security Documents**").



100. Attached hereto and marked as **Exhibit “43”** are copies of the Don Golden Security Documents.

**(e) Stathonikos Vendors**

101. On September 4, 2020, 227 Alberta (now CMD Holdings) executed a Vendor Take Back Promissory Note in favour of the Stathonikos Vendors, as amended on November 4, 2023 (collectively, the “**Stathonikos Promissory Note**”) in the principal sum of \$500,000. Attached hereto and marked as **Exhibit “44”** is a copy of the Stathonikos Vendors Promissory Note, which to the best of my knowledge was signed by the parties.

102. The Stathonikos Vendors Promissory Note is secured by the following security:

- (a) a general security agreement from granted by the 227 Alberta in favour of the Stathonikos Vendors respecting all present and after-acquired personal property of 227 Alberta (the “**227 Stathonikos GSA**”); and
- (b) the Stathonikos Priority Agreement.

103. Attached hereto and marked as **Exhibit “45”** is a copy of the Stathonikos GSA.

**(f) Gail White and Garth White**

104. In approximately November 2018, to the best of my knowledge, 100 Manitoba executed Vendor Take Back Promissory Notes in favour of Gail Ann White and William Garth White in the principal sum of \$250,000, or \$127,500 each (the “**White Promissory Note**”). Attached hereto and marked as **Exhibit “46”** is an unsigned copy of the White Promissory Note, which to the best of my knowledge was signed.

105. The White Promissory Note is secured by a vendor take back mortgage in the principal amount of \$250,000, registered on December 4, 2018 (the “**White Mortgage**”).

106. Attached hereto and marked as **Exhibit “47”** is a copy of the White Mortgage.

**(g) Searches**

107. Attached hereto and marked as **Exhibit “48”** is a copy of a summary of all personal property registry (“**PPR**”) registrations and land title registrations against the Applicants.

108. Attached hereto and collectively marked as **Exhibit “49”** are copies of provincial personal property registry (“**PPR**”) searches for each of the Applicants.

109. Attached hereto and marked as **Exhibit “50”** are copies of the Manitoba Certificates of Title for the Nick’s Repair property in Neepawa, MB.

110. Attached hereto and marked as **Exhibit “51”** is a copy of the Manitoba Certificate of Title for the Bunzy’s property located in Winnipeg, MB.

**B. Government Taxes and Priority payables**

111. As of the date of filing, the Applicants collectively owe \$17,745.84 in provincial sales tax in Manitoba; and \$266,391 in outstanding federal GST.

**C. Other Liabilities**

112. To date, the Applicants have received four demand letters that collectively demand payment of amounts that collectively exceed \$500,000.

113. To date, the Applicants have been sent nine civil claims seeking judgment in the collective amount of just under \$400,000.

**D. Carstar Franchise Agreement**

114. All of the entities within the Collision Kings Group except for the Manitoba Locations operate under Franchise Agreements with Carstar (collectively, and in such capacity, the “**Franchisees**”).

115. The Franchise Agreements contain certain provisions respecting their confidentiality and as such, are attached in my Confidential Supplement.

116. Pursuant to the Franchise Agreements, the Franchisees are required to report certain of their monthly sales to Carstar by entering these sales into a platform offered by Carstar. Carstar then calculates the monthly franchise fee, which is a percentage of the monthly sales and charge that fee back to the Franchisees.

117. Initially, the Lloydminster shops in both Alberta and Saskatchewan fell about nine months behind in reporting their sales and making their franchise payments. This was partially because the Lloydminster shops had issues accessing Carstar’s sales reporting platform, requiring

Carstar to manually enter the sales. The Applicants approached Carstar to canvas a reduced payment plan, to which Carstar agreed it would not require immediate payment for two months' of backdated franchise fees. When the issues with Carstar's sale reporting platform issues were resolved, the Lloydminster shops worked to update all of their monthly reporting, after which Carstar charged the entire amount of backdated franchise fees, contrary to its earlier representations.

118. Pursuant to the Franchise Agreements certain insurance companies paid Carstar for work done by Franchisees, which Carstar would either remit or set off from the monthly franchise fee. Around the fall of 2023, Carstar began holding back insurance payments without providing details about whether these holdback amounts were being applied to reduce the outstanding franchise fees. It remains unclear if Carstar has applied these insurance payments towards the outstanding franchise fees, and in which amounts.

119. Around this same time, the rest of the Franchisees also fell behind in their monthly franchise fee payments. The Applicants again approached Carstar to negotiate a payment plan, but were refused contact until all sales had been reported. Within approximately one week, the Franchisees updated all reporting, but our contact at Carstar still would not return any emails or voicemails.

120. As of the date of filing, there is approximately \$400,112 outstanding in franchise fees.

#### **E. Axalta and Rondex Paint Supply and Distribution Agreements**

121. Axalta Coating Systems Canada Company ("**Axalta**") and CKGI, 227 Alberta (now CMD Holdings), 219 Alberta and CK3L (collectively, and in such capacity, the "**Paint Customers**") are all parties to various incentive agreements whereby Axalta agreed to exclusively provide Axalta brand paint to the Paint Customers. As part of the arrangement, Axalta provided the Paint Customers with a secured cash pre-bate as part of a longer term paint supply contract.

122. 5993092 Manitoba Ltd., o/a Rondex ("**Rondex**"), exclusively distributes Axalta paint to the Paint Customers, as well as other paint-related shop supplies and sundries. Rondex has further provided the Paint Customers with discounts and incentives to purchase Axalta paint exclusively through Rondex.

123. Axalta, Rondex and the Paint Customers are party to the following (collectively, the "**Paint Supply Incentive Agreements**"):

- (a) Tri-Party Agreement between Axalta, Rondex and CKGI, respecting the Bunzy's location, dated June 1, 2018 (the "**Bunzy's Incentive Agreement**");
- (b) Tri-Party Agreement between Axalta, Rondex and Nick's Repairs dated January 1, 2019 (the "**Nick's Incentive Agreement**");
- (c) Tri-Party Agreement between Axalta, Rondex and Don Golden Auto Body Ltd. (now CK3L) dated June 15, 2019 (the "**CK3L Incentive Agreement**");
- (d) Master Incentive Program and Sales Agreement between Axalta and 219 Alberta dated September 1, 2019 ("**219 MIPS A**");
- (e) Indirect Incentive Agreement between Axalta and 219 Alberta dated September 1, 2019 ("**219 IIA**", and together with the 219 MIPS Agreement, the "**219 Incentive Agreements**");
- (f) Master Incentive Program and Sales Agreement between Axalta, Rondex and 227 Alberta, on behalf of itself and its subsidiaries, dated September 8, 2020 (the "**CMD MIPS A**");
- (g) Incentive Agreement between Axalta, Rondex and 227 Alberta, on behalf of itself and its subsidiaries, dated September 8, 2020 (the "**CMD IIA**", and together with the CMD MIPS A, the "**CMD Incentive Agreement**"); and
- (h) Amending Agreement amending the Bunzy's Incentive Agreement, the Nick's Incentive Agreement, the CK3L Incentive Agreement and the 219 Incentive Agreement dated November 2, 2020.

124. The Paint Supply Agreements contain certain provisions respecting their confidentiality and as such, are attached in my Confidential Supplement.

125. The Paint Supply Incentive Agreements are secured by the following (collectively, the "**Paint Supply Security**"):

- (a) General Security Agreement from 227 Alberta in favour of Axalta dated September 2020; and
- (b) Credit Support and Supply Agreement between Rondex, CKGI and CMD Holdings dated 2020 (the "**Credit Support Agreement**").

126. Pursuant to the CMD Incentive Agreement, Rondex agreed to indemnify CMD Holdings' obligations to Axalta. CMD Holdings and CKGI agreed to separately indemnify Rondex for this obligation pursuant to the Credit Support Agreement.

127. Rondex has also advanced funds to CKGI and CMD Holdings pursuant to a loan agreement dated October 11, 2023 (the "**Rondex Loan**"). Pursuant to the Rondex Loan Agreement, CKGI agreed to pay down the existing debt from \$708,114.66 to \$700,000, after which Rondex would forgive \$300,000 of the existing debt on a certain schedule.

128. Attached hereto and marked as **Exhibit "52"** is a copy of the Rondex Loan Agreement.

129. The Rondex Loan Agreement is secured by the following (collectively, the "**Rondex Security Documents**"):

- (a) General Security Agreement from 227 Alberta, CMD Holdings and CKGI in favour of Rondex;
- (b) Guarantee from Bunzy's to Rondex respecting all obligations of CMD Holdings and CKGI; and
- (c) Guarantee from 100 Manitoba to Rondex respecting all obligations of CMD Holdings and CKGI.

130. To the best of my knowledge, the relevant parties executed the Rondex Security Documents. Rondex maintains a PPR registration against CMD Holdings and CKGI in the Alberta PPR.

131. For all locations other than the Lloydminster Locations, the shops order and pay for paint and supplies from Rondex, which orders paint from Axalta and distributes to the shops. The Lloydminster Locations are the only locations to order and pay Axalta directly, but Rondex still fulfils the order and is a paid a shipping fee.

132. The Applicants have undertaken significant measures to be designated applicators of Axalta paint, which measures have been funded partly by the pre-bates advanced under the Paint Supply Agreements. These measures include installing specific paint guns, purchasing and using specific computer programs to mix and colour-match certain brands of paint; weeks of training from outside specialists; and hiring or retaining technicians that are trained in the practice of applying the specific features of Axalta paint.

133. If either Axalta or Rondex terminated their respective Paint Supply Agreements with the Applicants and the Applicants were required to source a new paint supplier, their operations would come to an immediate halt unless and until they sourced a new paint supplier.

134. As of the date of filing, there is approximately \$3,750,000 owing to Axalta and Rondex jointly; \$572,917 owing to Rondex; and \$230,772 owing to Axalta under the Paint Supply Agreements.

#### **F. Keystone LKQ**

135. Keystone LKQ (“**Keystone**”) is a critical supplier of non-original equipment manufactured (“**OEM**”) parts, which are parts that are not sourced from dealerships. Keystone is one of only a few types of these distributors in Canada.

136. Currently, the Applicants and Keystone have agreed to an arrangement where Keystone bills the Applicants monthly for the parts it supplies during that period. In December 2023, Keystone put a one-week hold on the Applicants’ account due to non-payment, which caused critical delays in the supply of automotive parts and almost caused the Applicants to completely shut down. The Applicants have now brought all payments current with Keystone and are continuing to prioritize meeting the scheduled payment on Keystone’s charge account, including the upcoming January 31, 2024 and February 6, 2024 payments.

#### **G. Commercial Lease Agreements**

137. All of the Applicants except the Manitoba Locations operate on leased premises pursuant to a commercial lease agreement. All of the lease payments are current. Lease payments are all due on the first day of the month. In the aggregate, the Applicants will pay approximately \$120,000 per month in lease payments.

138. East Lake operates a motor vehicle collision repair shop at leased premises located at 4600 112 Ave SE, Calgary, Alberta (the “**East Lake Location**”). Attached hereto and marked as **Exhibit “53”** is a copy of the commercial lease agreement respecting the East Lake Location. CMD Holdings currently leases the East Lake Location from 1318920 Alberta Ltd. (“**131 Alberta**”), but does not have a separate agreement for its sublease to East Lake. Rather, East Lake pays 131 Alberta directly for all lease payments on the East Lake Location. 131 Alberta is an arm’s length entity and not related to the Applicants.

139. Mayland Heights operates a motor vehicle collision repair shop at leased premises located at 5940 30 Street SE, Unit 1, Calgary, Alberta (the “**Mayland Heights Location**”). Attached hereto and marked as **Exhibit “54”** is an unsigned copy of the commercial lease agreement respecting the Mayland Heights Location, which to the best of my knowledge was executed by the relevant parties.

140. Sunridge operates a motor vehicle collision repair shop at leased premises located at 2601 29 Street NE, Calgary, Alberta (the “**Sunridge Location**”). Attached hereto and marked as **Exhibit “55”** is a copy of the commercial lease agreement respecting the Sunridge Location.

141. Arrow operates a mechanical and auto body shop at leased premises located at 3648 Burnsland Road SE, Calgary, Alberta (the “**Arrow Location**”). Attached hereto and marked as **Exhibit “56”** is a copy of the commercial lease agreement respecting the Arrow Location.

142. Royal Vista operates a motor vehicle collision repair shop at leased premises located at 35 Royal Vista Drive NW, Calgary, Alberta (the “**Royal Vista Location**”). Attached hereto and marked as **Exhibit “57”** is a copy of the commercial lease agreement respecting the Royal Vista Location.

143. CMD Glass operates a motor vehicle collision repair shop at leased premises located at 1803 11 Street SE, Calgary, Alberta (the “**CMD Glass Location**”). Attached hereto and marked as **Exhibit “58”** is a copy of the commercial lease agreement respecting the CMD Glass Location.

144. Stathko Investments operates a motor vehicle collision repair shop at leased premises located at 1407 9 Ave SW, Calgary, Alberta (the “**Stathko Location**”). Attached hereto and marked as **Exhibit “59”** is a copy of the commercial lease agreement respecting the Stathko Location.

145. CK3L operates a motor vehicle collision repair shop in Grande Prairie, Alberta at leased premises located at 12624 99 Street, Grande Prairie, Alberta (the “**Grande Prairie Location**”). Attached hereto and marked as **Exhibit “60”** is a copy of the commercial lease agreement respecting the Grande Prairie Location.

146. 219 Alberta operates two motor vehicle collision repair shops in Lloydminster: the first operates out of leased premises located at 5706 44 Street, Lloydminster, Alberta (the “**Lloydminster AB Location**”); and the second operates out of leased premises located at 4407

52 Street, Lloydminster, Saskatchewan (the “**Lloydminster SK Location**”). Attached hereto and marked as **Exhibit “61”** is a copy of the commercial lease agreement respecting the Lloydminster AB Location. Attached hereto and marked as **Exhibit “62”** is a copy of the commercial lease agreement respecting the Lloydminster SK Location.

147. Nick’s Repair operates a motor vehicle collision repair shop in Neepawa, Manitoba. 100 Manitoba owns the lands on which the Nick’s Repair shop operates (the “**Neepawa Location**”). Attached above and marked as **Exhibit “50”** are copies of the Manitoba Certificates of Title respecting the Neepawa Location.

148. Bunzy’s operates a mechanic shop at 52 Austin Street, Winnipeg, Manitoba (the “**Winnipeg Location**”) and owns the premises on which it operates. Attached above and marked as **Exhibit “51”** is a copy of the Manitoba Certificate of Title respecting the Winnipeg Location.

#### **IV. MARKETING AND PRIOR RESTRUCTURING**

149. The Applicants have directed considerable efforts in the past year to reduce their debt load and steer their businesses back to a sustainable and profitable model.

150. The Applicants first engaged Deloitte Restructuring Inc. (“**Deloitte**”) in the fall of 2022 to develop strategies on how to exit out of TD Bank’s special loans group.

151. In conjunction with Deloitte, the Applicants:

- (a) developed a plan to market the Applicants’ businesses;
- (b) developed a plan to package the assets in different groups and categories driven by which parties were showing interest and the assets in which they were interested;
- (c) approached Boyd Autobody & Glass (“**Boyd**”), AutoCanada Inc. (“**AutoCanada**”), Kaizen Automotive Group (“**Kaizen**”) and Lift Auto Group Operating Corporation (the “**Lift Group**”) as potentially interested parties in an asset purchase;
- (d) approached Carstar multiple times since 2020 to discuss liquidity issues, delays in processing insurance payments, preferred insurance programs given to other Carstar franchisees and negotiate a payment holiday;
- (e) brought both of the Manitoba Locations to market;



- (f) explored the option of listing CK3L in Grande Prairie, Alberta and the Lloydminster Locations for sale;
- (g) approached various suppliers and lenders to negotiate reductions in payments, pauses in payment schedules and to explore potential purchases or refinancing options;
- (h) obtained rent relief and reduced rent for the Sunridge and Stathko locations, as well as having the commercial landlord for the Lloydminster Locations temporarily release the \$66,885 deposit;
- (i) negotiated temporary and permanent bulges in the Applicants' credit with TD Bank;
- (j) sourced the Lift Group as an interested party and proceeded to execute an Indication of Interest and Letter of Intent with the Lift Group; and
- (k) developed the Stalking Horse Bid with the Lift Group to bring into the CCAA and the proposed SISF to encourage more competitive bidding and guarantee a path out of Insolvency.

152. With respect to efforts to obtain private equity, around December 2022, I reached out to several investors and financiers to canvas interest in a potential share purchase, recapitalization or investment of some or all of the Applicants. While some negotiations became fairly advanced, none of these negotiations resulted in a transaction, due in part because they would have required TD Bank to compromise the amount of its outstanding indebtedness.

153. Around early 2023, I also approached ATB Financial's investor group, which expressed interest in a potential purchase, but not as a going concern. Around the same time, TD Bank recommended we speak to a secondary lender, which agreed to assume the debt, but only if the Applicants could demonstrate two quarters of positive EBITDA. Due to the high debt loads and continuously reduced profits, this was not possible and this deal did not close.

154. With respect to listing the Manitoba Locations, these are the only locations where the real property is owned by the one of the Applicants. The Bunzy's location has been listed since September 1, 2022 and the Nick's Repair location has been listed since March 1, 2023. Both Manitoba Locations were listed on MLS and directly marketed to targeted buyers. Several interested parties attended showings and one offer for Bunzy's fell through, so both Manitoba

Locations remain listed for sale. Attached hereto and marked as **Exhibit “63”** are copies of the listing agreements for each of the Manitoba Locations.

155. With respect to efforts to effect a sale, as set out above, I approached Boyd, AutoCanada, Kaizen and the Lift Group, which are all parties well known in the automotive repair industry. The Lift Group was the other bidder when CKGI purchased the Lloydminster Locations and showed serious interest in purchasing some of the locations within the Collision Kings Group. As discussions continued, the Lift Group’s interest grew to include all of the locations except Royal Vista, Mayland Heights and CMD Glass.

156. While Carstar has a right of first refusal, it did not respond to my inquiries for several weeks to discuss the Applicants’ liquidity crisis, during which time negotiations with the Lift Group continued. Recently, Carstar contacted me to ask for status updates on the Applicants and to see what options the Applicants were using to respond to their liquidity issues. At this point, the Applicants had already received an Indication of Interest (“**IOI**”) from Lift Group around December 16, 2023 and were in the process of negotiating a Letter of Interest (“**LOI**”) and the Stalking Horse Bid with the Lift Group in good faith, as discussed in more detail below.

157. At the time, the Applicants were under pressure from TD Bank to meet certain refinancing milestones and to produce an IOI and then an LOI in relatively short order. Given the Lift Group had fully committed to negotiating an asset purchase agreement and taken the lead on negotiating a sale, pursuing a sale with the Lift Group was the best focus of the Applicants’ efforts and in the best interest of all stakeholders.

158. Also around this time, TD Bank engaged FTI as advisors to provide advice and strategy on refinancing and restructuring options for the Applicants.

#### **A. Secured Creditor Demands**

159. On October 27, 2023, the Stathonikos Vendors issued a demand letter (the “**Stathonikos Demand**”) to CMD Holdings pursuant to the Stathonikos Vendors Promissory Note. The demand alleges that CMD Holdings failed to pay the third instalment of \$166,666.66 plus accrued interest by September 18, 2023, and as a result, entire principal balance of \$500,000 is due and owing. Attached hereto and marked as **Exhibit “64”** is a copy of the Stathonikos Demand.

160. The Stathonikos Vendors are stayed under a Stathonikos Priority Agreement (see Exhibit “45”) with TD Bank that requires them to provide 120 days’ notice prior to taking enforcement

steps. The Stathonikos Vendors concurrently served TD Bank with a copy of the Stathonikos Demand.

161. Shortly thereafter, on November 8, 2023, TD Bank, in turn, issued demand letters and Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 to each of CMD Holdings, East Lake, Mayland Heights, Sunridge, Arrow, CMD Glass, Royal Vista, Stathko Investments, 219 Alberta, CK3L and Shane Daerden (collectively, the “**TD Loan Parties**”) demanding the immediate repayment of the amount of outstanding indebtedness then owing from the TD Loan Parties to TD Bank (collectively, the “**TD Bank Demands**”).

162. Attached hereto and collectively marked as **Exhibit “65”** are copies of the TD Bank Demands.

## **B. TD Forbearance Agreement**

163. Following the TD Bank Demands, on December 22, 2023, TD Bank and the TD Bank Borrowers entered into a Forbearance Agreement (the “**Forbearance Agreement**”). Attached hereto and marked as **Exhibit “66”** is a copy of the Forbearance Agreement.

164. The Forbearance Agreement contained the following key terms, among others:

- (a) the TD Loan Parties acknowledged the total amount of outstanding indebtedness due and owing as of November 27, 2023 was \$11,787,445.15 (the “**TD Indebtedness**”);
- (b) the TD Loan Parties were in default of their obligations to TD Bank under the TD Bank Loan Agreements;
- (c) the TD Indebtedness is cross-guaranteed, such that the TD Loan Parties are jointly and severally liable for the TD Indebtedness;
- (d) all security documents granted by the TD Loan Parties are valid, enforceable and binding on the TD Loan Parties and have not been discharged, varied, waived or altered and are enforceable against the TD Loan Parties;
- (e) the TD Loan Parties were each in receipt of the TD Bank Demands;

- (f) none of the TD Loan Parties would seek creditor protection pursuant to the CCAA, among other statutes, without the consent of TD Bank;
- (g) the forbearance term expired on January 31, 2024 at 4:00 p.m. (Calgary time) (the “**Forbearance Period**”); and
- (h) TD Bank provided the TD Loan Parties with additional liquidity under the credit facilities by way of a bulge facility as follows (the “**Bulge Facility**”):
  - (i) \$2,850,000 from execution of the Forbearance Agreement to December 31, 2023;
  - (ii) increasing to \$3,150,000 from January 1, 2024 to January 22, 2024;
  - (iii) reducing to \$2,650,000 from January 22 to January 29, 2024; and
  - (iv) increasing to \$3,400,000 from January 29 to January 31, 2024.

165. The Forbearance Agreement also required the TD Loan Parties to provide to TD Bank the following confirmations and deliveries on the dates specified (collectively, the “**Milestone Covenants**”), including, among others:

- (a) By December 4, 2023 (amended to January 17, 2024 pursuant to the First Amended FA, as defined below), a LOI from the Lift Group evidencing their intention to enter a transaction with the TD Loan Parties;
- (b) By December 31, 2023, evidence that the Applicants had used best efforts to arrange for a deferral of the principal mortgage payments for the operations located at Nick’s Repair and Bunzy’s; and
- (c) By January 10, 2023 (amended to January 29, 2024 pursuant to the First Amended FA), a draft form of a purchase and sale agreement.

166. The TD Loan Parties were required to provide evidence that they gave best efforts to reduce loan payments on the RBC Loan and ACU Loan. While these efforts were made, no reductions were granted.

167. On January 11, 2024, the TD Loan Parties and TD Bank entered into the First Amended Forbearance Agreement (the “**First Amended FA**”), a copy of which is attached hereto and marked as **Exhibit “67”**.

168. The First Amended FA extended certain deadlines for the Milestones, as set out above, and amended the Bulge Facility as follows:

- (a) \$2,850,000 from execution of the Forbearance Agreement to December 31, 2023;
- (b) increasing to \$3,150,000 from January 1, 2024 to January 10, 2024;
- (c) increasing to \$3,450,000 from January 11 to January 31, 2024

169. On January 25, 2024, the TD Loan Parties and TD Bank entered into the Second Amended Forbearance Agreement (the “**Second Amended FA**”), extending the Forbearance Period to February 8, 2024 and permitting the TD Loan Parties, at TD Bank’s sole discretion, to defer all principal and interest payments due and owing from December 2023, January 2024 and February 2024 to February 8, 2024. Attached hereto and marked as **Exhibit “68”** is a copy of the Second Amended FA.

170. The Second Amended FA further amended the Bulge Facility as follows:

- (a) \$2,850,000 from execution of the Forbearance Agreement to December 31, 2023;
- (b) increasing to \$3,150,000 from January 1, 2024 to January 10, 2024;
- (c) increasing to \$3,450,000 from January 11 to January 25, 2024; and
- (d) increasing to \$4,000,000 from January 26 to February 8, 2024.

171. Respecting the Milestone Covenants, to date, the TD Loan Parties have provided TD Bank with:

- (a) an executed LOI from the Lift Group by January 13, 2024;
- (b) a draft form of a purchase and sale agreement with Lift Group by January 10, 2023, which was eventually used for the Stalking Horse Bid; and
- (c) 13-week cashflow statements;

172. As of the date of filing, the current available amount on the Bulge Facility is \$4,000,000.

## **V. CASH MANAGEMENT**

173. Each company has its own bank accounts, but CKGI, as the head office, centrally manages the finances for the entire Collision Kings Group. The Collision Kings Group entities pay a fee to CKGI for its management services. Recently, TD Bank has approved CKGI transferring TD Bank loan funds to Nick's Repair to satisfy a Manitoba tax filing.

174. If approved, the interim financing term sheet provides for financing to flow through CMD Holdings first, which will disburse to the rest of the Applicants as needed.

## **VI. DIRECTORS AND OFFICERS INSURANCE POLICIES**

175. The Collision Kings Group carries an insurance policy for its directors and officers with TruStar Underwriting Inc. (the "**D&O Policy**"), with a \$3,000,000 limit of liability, with a policy period from September 28, 2023 to September 28, 2024. Attached hereto and marked as **Exhibit "69"** is a copy of the D&O Policy.

176. Notwithstanding the existence of the D&O Policy, the Collision Kings Group's ordinary course operations may give rise to potential officer or director liability. As set out in further detail below, to address legitimate concerns expressed with respect to their potential exposure if they continue to act, the directors and officers have requested reasonable protection against personal liability that might arise in the post-filing period through the D&O Charge (as defined below).

## **VII. CCAA RELIEF**

### **A. The Collision Kings Group is Insolvent for the Purposes of the CCAA**

177. The Collision Kings Group is facing serious liquidity challenges and, based on its current financial position, it is unable to service its ongoing debt obligations as they become due. It has been unable to keep up with scheduled payments on its secured debt and continues to have a substantial amount of liabilities to unsecured vendors and trade creditors, which is greatly impacting its ability to continue its business operations.

178. It is not expected that the Collision Kings Group will be able to generate the profit required to pay down its secured and unsecured obligations to get to a point of sustainable operations.

179. The Collision Kings Group believes there is no reasonable expectation that its financial condition will improve absent these restructuring proceedings. The Collision Kings Group is therefore insolvent and requires CCAA protection at this time.

180. The Collision Kings Group has thoroughly considered the circumstances and potential alternatives available, and with the assistance of its advisors, has determined that it is in the best interests of the Collision Kings Group and its stakeholders to file for protection under the CCAA at this time. With the benefit of protection under the CCAA, Collision Kings Group will continue to operate its business and advance its restructuring efforts to maximize value for its stakeholders.

## **B. Comeback Application**

181. The Applicants are seeking a direction from the Court that the Applicants may proceed with the Comeback Application on February 14, 2024, which is seven days after the Initial Order Application will be heard on February 7, 2024.

182. On February 14, 2024, the Applicants will be seeking an extension of the Stay of Proceedings, an increase in the Interim Lender's Charge, approval of a RIP Charge and approval of the SAVO respecting the Stalking Horse Bid. The parties are seeking to keep the CCAA process as cost-effective as possible given the cash constraints it is currently facing.

## **C. Stay of Proceedings**

183. The Collision Kings Group requires the stability of the CCAA proceedings to conduct the SISP and find a path forward out of its liquidity crisis. TD Bank, which is the largest secured creditor of the Collision Kings Group, supports this application.

184. The Collision Kings Group has worked to negotiate payment timelines and amounts with its various creditors, including through the Forbearance Agreement with TD Bank, but it has now received a significant number of demands and civil claims from various parts suppliers, vendors and creditors. Staying these claims will provide the Collision Kings Group with the time and stability it requires to run a coordinated sale process that will market all of its assets and businesses to the open market.

185. Given the Applicants' inability to overcome their debt load following the Calgary Acquisition, the Applicants, in consultation with its advisors, believe it is in the best interest of all stakeholders to obtain a stay of proceedings in order to pursue the SISP, which is designed to

maximize the value of the Collision Kings Group and allow it to compromise its liabilities through a restructured entity.

#### **D. Appointment of FTI as the Monitor**

186. The Applicants are seeking the appointment of FTI as the Monitor in these proceedings. FTI has acted as advisors to TD Bank to assist in getting Collision Kings Group to this point, including by providing advice to TD Bank in its negotiation of the Forbearance Agreement.

187. The Applicants believe that FTI has the necessary expertise and experience with the Applicants to successfully coordinate the SISP and guide the Applicants towards a more sustainable, restructured future. Given FTI's earlier retainer by TD Bank, FTI is already familiar with the Applicants and their businesses.

188. TD Bank has indicated it supports appointing FTI as Monitor.

#### **E. Cash Flow Forecast**

189. As set out in the consolidated cash flow forecast attached hereto and marked as **Exhibit "70"** (the "**Cash Flow Forecast**"), the Collision Kings Group's principal use of cash during these proceedings will consist of the payment of the operating costs associated with the ongoing operation of its business, including, among others, expenses related to employee compensation, trade payments, payments to critical suppliers and landlords, general administration expenses and other ordinary course of business obligations. In addition to these expenditures, the Collision Kings Group will also incur administrative expenses in connection with these CCAA Proceedings.

#### **F. Payments During the CCAA Proceedings**

190. The Collision Kings Group is seeking authorization pursuant to the proposed Initial Order to pay all reasonable expenses incurred by the Collision Kings Group in carrying on its business in the ordinary course after the date of the Initial Order, and to pay certain expenses, whether incurred prior to, on or after the date of the Initial Order, in respect of:

- (a) outstanding and future wages, salaries, compensation, employee benefits, vacation pay and expenses (including, without limitation, payroll and benefits processing and servicing expenses) payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;



- (b) the fees and disbursements of any consultants, agents, experts, accountants, counsel and financial advisors and such other persons retained or employed by the Collision Kings Group, at their standard rates and charges; and
- (c) all invoices issued by suppliers essential to the Collision Kings Group's Business.

191. The Collision Kings Group requires the commitment and support of its key employees during the CCAA process (and after it emerges from the CCAA process) and the continued supply of goods and services from its key vendors, essential trade suppliers, and service providers during the CCAA proceedings.

192. For example, if Axalta or Rondex, both critical suppliers, terminated their Paint Supply Agreements with the Applicants and the Applicants were required to source a new paint supply from a different provider, their operations would come to a complete halt until a new provider could be sourced and different systems could be installed.

193. Because all of the Applicants except the Manitoba Locations operate out of leased premises, it is also critical that the Applicants are able to continue making their monthly lease payments during the CCAA proceedings.

194. The ability for the Collision Kings Group to make the foregoing payments is necessary to maintain stability for the continued operation of the Collision Kings Group's business during the CCAA proceedings and to allow Collision Kings Group to advance its restructuring efforts for the benefit of its stakeholders.

#### **G. Administration Charge**

195. It is contemplated that a Court-ordered charge over the assets, property and undertakings of the Collision Kings Group would be granted in favour of the Monitor, counsel to the Monitor and counsel to the Collision Kings Group to secure the payment of their professional fees and disbursements (incurred at their standard rates and charges, subject to the terms set forth in their respective engagement letters, as applicable), whether incurred before or after the date of the Initial Order (the "**Administration Charge**").

196. The Collision Kings Group requires the expertise, knowledge and continuing participation of the above professionals in order to complete a successful restructuring. The Collision Kings Group believes that the Administration Charge is necessary to ensure their important continued participation in this process.

197. The proposed Administration Charge is in an aggregate amount of \$500,000. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Collision Kings Group's restructuring efforts.

198. The amount of the proposed Administration Charge was reached in consultation with the proposed Monitor, and I believe is reasonable in the circumstances.

#### **H. Interim Lender's Charge**

199. The Applicants require access to capital in order to continue their operations during these proceedings and to pursue restructuring options. Without interim financing, the Applicants may not have sufficient means to cover all of their expenses during these CCAA Proceedings, and their ability to carry on business could be impacted, to the detriment of their stakeholders.

200. Prior to initiating the CCAA proceedings, the Applicants were able to reach a deal with TD Bank (the "**Interim Lender**"), who agreed to provide an interim lending facility pursuant to the terms of an executed term sheet (the "**Interim Financing Term Sheet**"), a copy of which is attached hereto and marked as **Exhibit "71"**.

201. The level of interim financing is expected to be sufficient to allow the Applicants to complete the SISP, close a transaction and complete restructuring. The level of interim financing accommodates for the additional time that may be required to sell assets that are excluded from the Stalking Horse Bid.

202. The key terms of the Interim Financing Term Sheet are:

- (a) the Interim Lender shall provide interim financing by way of an interim financing facility term sheet (the "**Interim Financing Facility**") in the principal amount of \$1,125,000, plus interest, costs and expenses;
- (b) the Interim Financing Facility shall bear interest at a rate of Prime Rate + 4.8% per annum;
- (c) the Interim Financing Facility shall be secured by a charge created by the Initial Order in the amount of \$600,000, plus interest costs and expenses in favour of TD Bank, and then increased to the principal sum of \$1,125,000, plus interest, costs and expenses against all of the Applicants' Property (the "**Interim Lender's Charge**"), which shall rank in priority to all other mortgages, charges, security

interests, liens, trust claims, or other encumbrances, other than the Administration Charge;

- (d) the Interim Financing Facility shall be used to fund the working capital requirements of the Applicants during these CCAA proceedings and shall not be used to pay indebtedness of the Applicants that arose prior to the commencement of the proceedings, except as permitted by the Court or contemplated by the Cash Flow Projections; and
- (e) the term of the Interim Financing Facility shall terminate on the earlier of the Maturity Date (as defined in the Interim Financing Facility): (i) four months from the date of the initial Advance under the Interim Financing Facility; (ii) the date on which the SISP terminates as a result of no qualified offer having been received by the bid deadline; (iii) the date of the closing of a sale of all or a portion of the Collateral pursuant to the SISP, provided the CCAA proceedings are concurrently terminated with the consent of the Lender; or (iii) the occurrence of an event of default, liquidity event, reorganization event or Change of Control, as defined in the Interim Financing Term Sheet.

203. Accordingly, the Applicants believe that the Interim Financing Term Sheet, the proposed Interim Lender's Charge and the related grant of security interests are fair and reasonable in the circumstances, are necessary, and are in the best interests of all of the Applicants' stakeholders.

#### **I. Directors' Charge**

204. The directors and officers of the Collision Kings Group (the "**Directors and Officers**") have been actively involved in the Collision Kings Group's efforts to address its challenging circumstances. The Directors and Officers have overseen the Collision Kings Group's liquidity management efforts; reviewed and explored strategic options and alternatives in connection with the Applicants' liquidity and financial challenges; and communicated and negotiated with key stakeholders.

205. The Applicants are seeking a third-ranking, Court-ordered charge on the assets, property and undertakings of the Applicants up to the maximum amount of \$400,000 (the "**Directors' Charge**") as security for the liabilities to which the Directors and Officers may be exposed after the commencement of these CCAA proceedings, except to the extent any obligation was

incurred as a result of any of the director or officer's gross negligence or wilful misconduct. The Applicants believe the Directors' Charge is fair and reasonable in the circumstances.

206. A successful restructuring of the Applicants will only be possible with the continued participation of the Applicants' directors and officers. These individuals have specialized expertise and relationships with the Collision Kings Group's stakeholders. In addition, the directors and officers have gained significant knowledge that cannot be easily replicated or replaced.

207. The amount of the Directors' Charge has been calculated based on the estimated exposure of the Directors and Officers and has been reviewed with the proposed Monitor. The proposed Directors' Charge would apply only to the extent that the Directors and Officers do not have coverage under the Directors' Policy or there is insufficient coverage.

#### **J. RIP Charge**

208. The Applicants seek the approval of a RIP, which has been designed to first, retain management personnel of the Collision Kings Group that have been identified as critical to the continued operation of the Collision Kings Group during its restructuring, and second, incentivize those parties to assist in maximizing the value of the Applicants as a going concern. Mark Jones, the Chief Financial Officer of CKGI, and myself have been identified as critical to operations and the success of the SISP.

209. Subject to this Court's approval of the RIP, the Applicants are further seeking a court-ordered priority charge over all assets, property and undertakings of the Applicants up to a maximum amount of \$425,000 to secure payment to Mark Jones and I as contemplated under the RIP (the "**RIP Charge**").

210. Key terms of the RIP include, among others:

- (a) Mr. Jones and I will share a bonus payment of \$425,000 if the Stalking Horse Bid transaction closes;
- (b) if there is a Qualified Bid that produces more than \$10 million after all adjustments, then Mr. Jones and I will receive 4% of any amounts over \$10 million; and
- (c) payment on any amounts realized under the RIP will become due on the earlier of: (i) the implementation of a Plan of Arrangement or Compromise; (ii) the

conversion of the CCAA proceedings to a different restructuring process; (iii) the completion of any realization process through the CCAA.

211. The continued retention of the Mr. Jones and myself is necessary to ensure, among other things, that the Applicants will be able to successfully maintain their business operations, preserve and maximize asset values, maintain valuable relationships with critical suppliers and retain other employees who have agreed to continue their employment with the Applicants on the strength of their personal relationships with us.

212. Mr. Jones and I have been working to market the various packages of the Collision Kings Group assets and businesses for almost a year. Our efforts have included negotiating with creditors for reduced payment plans and payment pauses, working to list and market the Manitoba Locations, sourcing and negotiating the Lift IOI and LOI, negotiate the Stalking Horse Bid and develop the SISP.

213. The SISP does not provide for a selling agent, which reduces the overall costs of running a sale process.

214. Lastly, Mr. Jones and I have made significant salary concessions in efforts to improve the profitability and marketability of the Collision Kings Group. In particular, section 4.16 of the Forbearance Agreement requires that the TD Bank Loan Parties shall only pay 50% of my current salary, in an amount not exceeding \$125,000 annually, and 75% of Mr. Jones' hourly rate, in an amount not exceeding an invoiced amount of \$3,365 per week.

## **VIII. APPROVAL OF SISP AND STALKING HORSE BID**

215. As set out above, since the fall of 2022, the Applicants have been developing various marketing options, sourcing the IOI and LOI and eventually negotiating the Stalking Horse Bid with Lift Auto. The Applicants are now seeking the Court's approval of the SISP and the form of Stalking Horse Bid. A redacted copy of substantially the form of Stalking Horse Bid that the parties intend to execute before the Initial Order Application is attached hereto and marked as **Exhibit "72"**, which redacts the list of current employees.

216. The SISP is designed to maximize the value of the Property, guarantee the continued operation of the Applicants' businesses, either through the acceptance of the Stalking Horse Bid or a Superior Offer (as defined in the Sale Process), and provide a fair and transparent process

for qualified bidders to assess the nature of the Applicants' Property and Business (as defined in the SISP) as a going concern and submit qualified bids.

217. Pursuant to the proposed SISP, the Monitor, in conjunction with the Applicants, would prepare the following:

- (a) a non-confidential teaser letter describing the opportunity to acquire the Applicants' Business and/or Property, either separately or as a whole (the "**Teaser Letter**");
- (b) a form of non-disclosure agreement (the "**NDA**"); and
- (c) a virtual data room (the "**Data Room**") with key financial, operational and other due diligence documents for potential purchasers to conduct due diligence on the Applicants' Business and Property and evaluate the acquisition opportunity.

218. The SISP is designed to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Applicants' assets and business operations. Any sale of the Property or investment in the Business (each as defined in the SISP) shall be on an "as-is, where-is" basis and without surviving representations or warranties of any kind. In the event of a sale, all of the right, title and interest of the Applicants in and to the Property will be sold free and clear.

219. The SISP is comprised of one phase and, if required, an auction phase. The SISP provides for the following marketing process (the "**SISP Procedure**"):

- (a) by no later than February 7, 2024, the Applicants, in consultation with the Monitor, shall prepare a list of Known Potential Bidders;
- (b) the SISP shall commence on the same date the Initial Order is granted (the "**Commencement Date**");
- (c) as of the Commencement Date, the Monitor will publish notice of the SISP and issue the Teaser Letter, NDA and instructions on how to become a Potential Bidder to Known Potential Bidders;
- (d) any party wishing to participate in the SISP must deliver to the Monitor an executed NDA; a letter with details about the Potential Bidder's identity; and a form of financial disclosure and credit quality statement;

- (e) upon the Monitor's receipt and review of the above documents, the Monitor will decide if a Potential Bidder is a Qualified Bidder;
- (f) if the Monitor determines a Potential Bidder is a Qualified Bidder, the Monitor will provide the Qualified Bidder with access to the Data Room;
- (g) Qualified Bidders shall submit final, binding offers to purchase ("**Binding Bids**") to the Monitor by no later than March 8, 2024, being 30 days after the Commencement Date (the "**Bid Deadline**");
- (h) upon receipt of the Binding Bids, the Monitor, in conjunction with the Applicants and the Interim Lender, will review the Binding Bids and will then designate the most competitive bids that comply with the SISP requirements as "**Qualified Bids**", noting that the Stalking Horse Bid is deemed a Qualified Bid for the purpose of the SISP;
- (i) if no Qualified Bids have been received by the Bid Deadline that improve on the terms and conditions of the Stalking Horse Bid, the Stalking Horse Bid will be declared the Successful Bid;
- (j) if one or more Qualified Bids other than the Stalking Horse Bid have been received for different Property, the Monitor may designate the applicable Qualified Bids as the respective Successful Bids for the applicable Property;
- (k) if one or more Qualified Bids other than the Stalking Horse Bid have been received for the same Property, the Monitor may either designate one of the Qualified Bids as the Successful Bid and one or more of the other Qualified Bids as the Back-up Bid, or provide all parties that have made the Qualified Bids, including the Stalking Horse Bidder, the opportunity to make further bids through the auction process (the "**Auction**");
- (l) in the event of an Auction, the Auction will be held on March 13, 2024 at the offices of the Monitor's legal counsel;
- (m) bidding at the Auction will begin with the Starting Bid and continue in one or more rounds of bidding for as long as at least one Subsequent Bid is advanced, and will run until in any round of bidding, no new Subsequent Bid is made;

- (n) at the conclusion of the Auction, the Monitor will select the Winning Bid, which shall be negotiated into a Selected Superior Offer and deemed the Successful Bid; and
- (o) if the Successful Bid is the Stalking Horse Bid, the Stalking Horse Bidder and the Applicants will use best efforts to close the transaction by no later than March 15, 2024.

220. The SISP provides for the following milestones:

- (a) February 7, 2024 – Applicants to create list of Known Potential Bidders;
- (b) February 7, 2024 – Monitor to prepare and have available the Data Room for Potential Bidders;
- (c) February 10, 2024 – Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders;
- (d) March 8, 2024 – Bid Deadline;
- (e) March 13, 2024 – Auction (if required);
- (f) a transaction approval application hearing will be scheduled, if required; and
- (g) March 29, 2024 – Closing Date Deadline.

221. The Stalking Horse Bid will be considered a Qualified Bid pursuant to the SISP. The Stalking Horse Bid contains the following key terms, among others:

- (a) the transaction is structured as an asset purchase agreement on an “as-is, where-is” basis;
- (b) “Vendors” is defined as CMD Holdings, East Lake, Sunridge, Arrow, Stathko Investments, CK3L, 219 Alberta, Nick’s Repairs, 100 Manitoba and Bunzy’s;
- (c) the Purchase Price for the Purchased Assets is the aggregate of \$6,660,000, plus the value of the Closing Date Working Capital, and plus the Closing Date Debt Amount;



- (d) “Purchased Assets” is defined to include, among other things, the Vendors’ right, title and interest in the Assumed Contracts (Real Property Leases and listed Contracts of the Vendors); the Equipment and Personal Property; the Manitoba Real Property; the Inventory; the Prepaid Expenses; the Intellectual Property; the Accounts Receivables, the Work in Progress; the Customer Lists; and the Goodwill;
- (e) “Excluded Assets” is defined to include, among other things, all Work in Progress and Prepaid Expenses owned by the Manitoba Locations; all property and assets of CMD Holdings other than Real Property Leases; the Vendors’ deposit or investment accounts; all income tax installments paid by the Vendors and the right of the Vendors to receive a tax refund; the Vendors’ interests in any litigation; the Vendors’ interest in any insurance policies; and all securities in the Vendors’ capital;
- (f) “Excluded Liabilities” is defined to include, among other things, the Franchise Agreement and all intellectual property belonging to Carstar; all agreements between the Vendors and Axalta and/or its Affiliates; and the Benefit Plans;
- (g) in the event the Stalking Horse Bid is not selected as the Successful Bid and a different Qualified Bid for all or substantially all of the Purchased Assets closes, the Stalking Horse Bidder will be entitled to a break-fee of \$150,000 (the “**Break Fee**”); and
- (h) the transaction contemplated by the Stalking Horse Bid, including the Break Fee, is subject to court approval.

222. The SISP and the Stalking Horse Bid combine to allow the Applicants, in conjunction with the Monitor, to widely canvas and test the market and determine if there are any other competitive bids offering a more favourable outcome to the stakeholders than provided by the Stalking Horse Bid, while guaranteeing a transaction for the majority of the Applicants’ assets and business.

#### **IX. SALE APPROVAL AND VESTING ORDER RESPECTING STALKING HORSE BID**

223. The Applicants are seeking the Court’s approval of the proposed Sale Approval and Vesting Order respecting the transaction contemplated by the Stalking Horse Bid (the “**Stalking**”

**Horse SAVO**") in the event the Stalking Horse Bid is the Successful Bid upon the conclusion of the SISP.

224. Any interested party that executed an NDA and demonstrates sufficient capital to close a transaction for all or substantially all of the Applicants' property or business can participate in the SISP. The SISP provides interested parties with just over four weeks to conduct their due diligence and prepare a Binding Bid.

225. The SISP will widely canvas the market for potential parties to invest in or purchase the assets of the Collision Kings Group. Prior to making this CCAA filing, the Applicants have directed significant efforts to canvassing potentially interested parties in investing in the Applicants' business or purchasing the Applicants' assets.

226. If, at the conclusion of the SISP, no Qualified Bids have come forward or the Stalking Horse Bid is deemed to be more competitive than any Qualified Bid, and the Stalking Horse Bid is selected as the Successful Bid, this bid will be the culmination of the months of marketing efforts by the Applicants in addition to the targeted and focused marketing of the SISP. In these circumstances, I believe the Stalking Horse Bid is in the best interest of all stakeholders. The Stalking Horse Bid:

- (a) provides for the purchase of most of the Applicants' assets on an as-is, where-is basis;
- (b) preserves the going concern value of the Applicants' businesses for the benefit of the stakeholders;
- (c) maintains the Vendors' relations with critical suppliers and customers to the greatest extent possible; and
- (d) preserves the ongoing employment of most of the Applicants' approximately 120 employees.

227. The Monitor will be closely involved in the SISP throughout its entirety and, if necessary, will be exercising its business judgment to assess the competitiveness and compliance of any Binding Bids received in the SISP.

228. The Monitor and TD Bank have both indicated they support the approval of the Stalking Horse Bid if it is selected as the Successful Bid.

229. To the extent the Stalking Horse Bid provides for the assignment of the Commercial Leases and certain contracts with vendors and suppliers, the Applicants have provided all affected parties with notice of the Comeback Hearing.

#### **X. SEALING RELIEF**

230. The Applicants are seeking a direction that my Confidential Supplement be sealed. The Confidential Supplement contains commercially sensitive information, including appraisals, with respect to the assets that the Applicants are proposing to market through the SISP. I am advised, and do believe, that the release of this commercially sensitive information would compromise the Applicants' efforts to obtain the highest and best price for their assets in the circumstances, to the detriment of all stakeholders.

231. The Confidential Supplement further contains commercial agreements with Carstar, Axalta and Rondex that contain confidentiality provisions prohibiting the Applicants from making them public. I am advised and do believe that releasing these confidential agreements on the public record could compromise these parties' commercial interests.

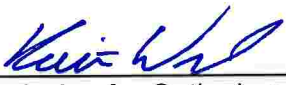
232. Lastly, the Confidential Supplement contains an unredacted copy of the Stalking Horse Bid, which includes the full list of employees at Schedule 7.2(d) (the "**Employee List**"). The Employee List contains personal information about the employees therein who have not consented to the release of such information. Further, there is a risk that if the Employee List is shared with all of the Applicants' competitors, as contemplated under the SISP, those competitors could recruit current employees away from the Applicants, thus compromising the potential ongoing operations of the Applicants and the success of a going concern sale.

233. The Applicants are only seeking to seal the limited information in the Confidential Supplemental Affidavit and have otherwise endeavoured to provide as much information as possible on the public record.

**XII. CONCLUSION**

234. I swear this my Affidavit in support of an Application for an Initial Order, the Comeback Hearing and in support of the requested relief set out in paragraphs 6 and 7 of this Affidavit.

SWORN BEFORE ME at Calgary, Alberta,  
this 30<sup>th</sup> day of January, 2024.

  
\_\_\_\_\_  
Commission for Oaths in and for the Province  
of Alberta

**KAITLIN H. WARD  
BARRISTER & SOLICITOR**

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**SHANE DAERDEN**

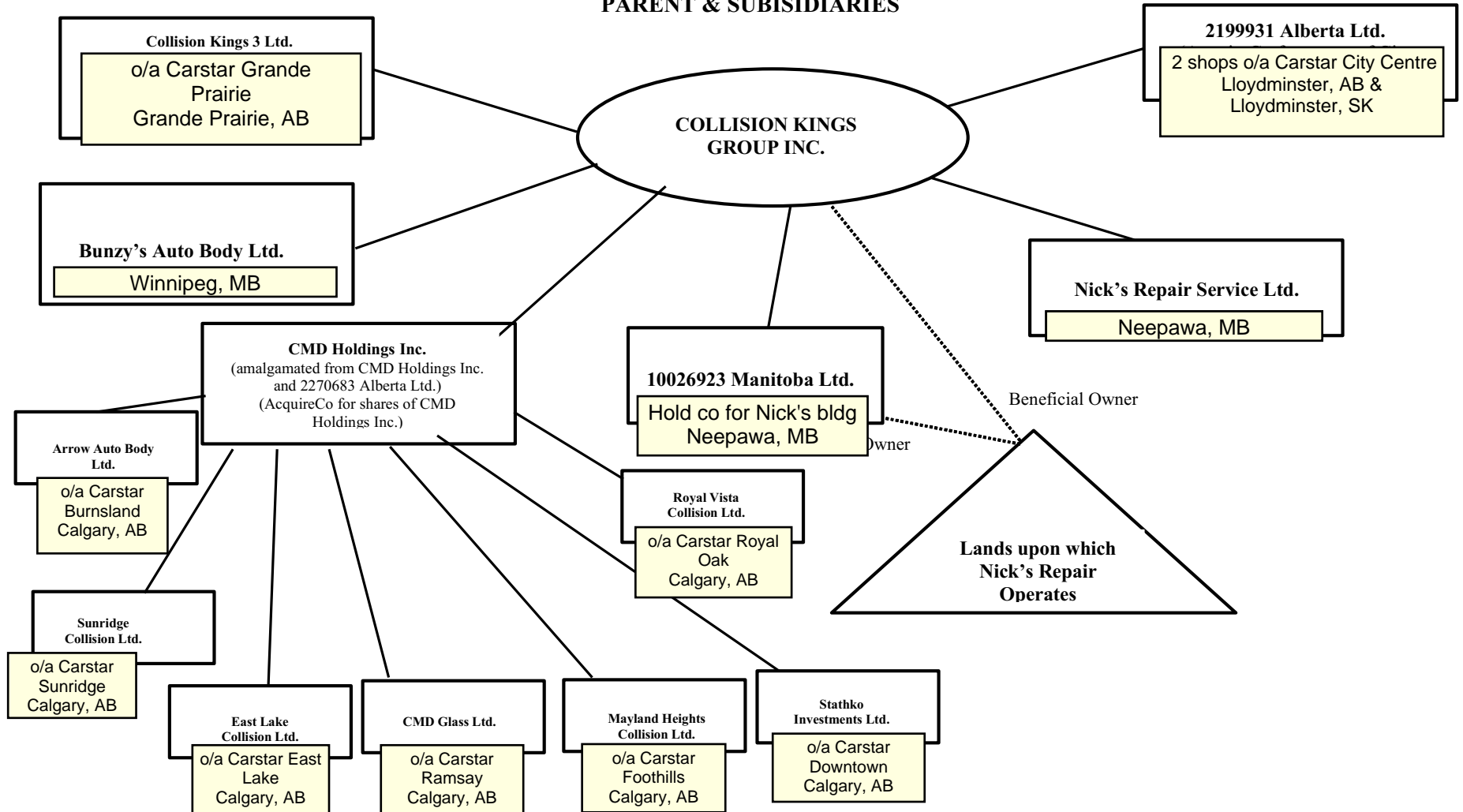
**THIS IS EXHIBIT "1" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**COLLISION KINGS GROUP INC.  
PARENT & SUBSIDIARIES**



**THIS IS EXHIBIT "2" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



## Profile Report

COLLISION KINGS GROUP INC. as of January 18, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	COLLISION KINGS GROUP INC.
Ontario Corporation Number (OCN)	2633885
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 04, 2018
Registered or Head Office Address	100 King Street West, 1 First Canadian Place 1600, Toronto, Ontario, Canada, M5X 1G5

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 10

Name SHANE DAERDEN  
Address for Service 371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3  
Resident Canadian Yes  
Date Began May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Officer(s)**

**Name**

SHANE DAERDEN

**Position**

President

**Address for Service**

371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3

**Date Began**

May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

**Corporate Name History**

**Name**

COLLISION KINGS GROUP INC.

**Effective Date**

May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

### Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

### Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

## Document List

Filing Name	Effective Date
Archive Document Package	December 13, 2021
CIA - Initial Return PAF: SYLVAIN TANGUAY - OTHER	May 09, 2018
BCA - Articles of Incorporation	May 04, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



## Rapport de profil

COLLISION KINGS GROUP INC. en date du 18 janvier 2024

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	COLLISION KINGS GROUP INC.
Numéro de société de l'Ontario	2633885
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	04 mai 2018
Adresse légale ou du siège social	100 King Street West, 1 First Canadian Place 1600, Toronto, Ontario, Canada, M5X 1G5

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

**Administrateurs en fonction**

Nombre minimal d'administrateurs 1  
Nombre maximal d'administrateurs 10

Dénomination SHANE DAERDEN  
Adresse aux fins de signification 371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3  
Résident canadien Oui  
Date d'entrée en fonction 04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registraireur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.



**Dirigeants en fonction**

**Dénomination**

SHANE DAERDEN

**Poste**

Président de la société

**Adresse aux fins de signification**

371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3

**Date d'entrée en fonction**

04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

## Historique des dénominations sociales

Nom	
Date d'entrée en vigueur	COLLISION KINGS GROUP INC. 04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

### Noms commerciaux en vigueur

Cette personne morale n'a aucun nom commercial actif enregistré en vertu de la Loi sur les noms commerciaux de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1<sup>er</sup> avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

### Noms commerciaux expirés ou révoqués

Les noms commerciaux actifs enregistrés de cette personne morale en vertu de la Loi sur les noms commerciaux de l'Ontario sont expirés ou annulés.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

## Liste de documents

Nom du dépôt	Date d'entrée en vigueur
Trousse de documents archivés	13 décembre 2021
CIA - Rapport initial PRE: SYLVAIN TANGUAY - OTHER	09 mai 2018
BCA - Statuts constitutifs	04 mai 2018

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.



Entity Number: 102144287

Page 1 of 2

Entity Name: COLLISION KINGS GROUP INC.

Report Date: 18-Jan-2024

## Entity Details

Entity Type	Business Corporation
Entity Subtype	Extra-provincial Corporation
Entity Status	Active
Registration Date	15-Feb-2022
Entity Number in Home Jurisdiction	002633885
Entity Name in Home Jurisdiction	COLLISION KINGS GROUP INC.
Home Jurisdiction	Ontario, Canada
Incorporation/Amalgamation Date in Home Jurisdiction	04-May-2018
Annual Return Due Date	30-Jun-2024
Nature of Business	Automotive mechanical and electrical repair and maintenance, Automotive body, paint, interior and glass repair

## Registered Office Addresses

Physical Address	100 KING STREET WEST, SUITE 1600, 1 FIRST CANADIAN PLACE, TORONTO, Ontario, Canada, M5X 1G5
Mailing Address	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

## Directors/Officers

<b>SHANE DAERDEN (Director)</b>	<b>Effective Date:</b>	<b>15-Feb-2022</b>
Physical Address:	371 NIAGRA STREET, WINNIPEG, Manitoba, Canada, R3N 0V3	
Mailing Address:	371 NIAGRA STREET, WINNIPEG, Manitoba, Canada, R3N 0V3	

## Power of Attorney

### **NATHAN A. SCHISSEL**

Physical Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9
Mailing Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9



Entity Number: 102144287

Page 2 of 2

Entity Name: COLLISION KINGS GROUP INC.

Report Date: 18-Jan-2024

## STATHY G. MARKATOS

Physical Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

## SAMER AWADH

Physical Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

### Business Names Owned By Corporation

Number	Name	Type
102144288	CK AUTO CARE	Saskatchewan Business Name - Sole Proprietor

### Event History

Type	Date
Business Corporation - Annual Return	01-Aug-2023
Power of Attorney	01-Aug-2023
Power of Attorney	08-Sep-2022
Business Corporation - Extra-provincial Registration	15-Feb-2022

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
 Time of Search: 01:45 PM  
 Service Request Number: 41288393  
 Customer Reference Number: 05099648-11153492

**Corporate Access Number:** 2124030632

**Business Number:**

**Legal Entity Name:** COLLISION KINGS GROUP INC.

**Legal Entity Status:** Active  
**Extra-Provincial Type:** Other Prov/Territory Corps  
**Registration Date:** 2022/01/24 YYYY/MM/DD  
**Date Of Formation in Home Jurisdiction:** 2018/05/04 YYYY/MM/DD  
**Home Jurisdiction:** ONTARIO  
**Home Jurisdiction CAN:** 002633885

**Head Office Address:**

**Street:** 171 WATERLOO STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3N0S4  
**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT	A.	MLT AIKINS LLP	2100 LIVINGSTON PLACE, 222 3RD AVE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Alternative Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100 LIVINGSTON PLACE, 222 3RD AVE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 171 WATERLOO STREET  
**City:** WINNIPEG



**Province:** MANITOBA  
**Postal Code:** R3N0S4

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CK AUTO CARE	TN24030686

**Other Information:**

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2022/01/24	Register Extra-Provincial Profit / Non-Profit Corporation

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "3" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:45 PM  
Service Request Number: 41288403  
Customer Reference Number: 05099650-11153494

**Corporate Access Number:** 2022907469  
**Business Number:** 815524822  
**Legal Entity Name:** CMD HOLDINGS INC.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2020/09/25 YYYY/MM/DD

#### Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

#### Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET

**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "B"

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2022706838	2270683 ALBERTA LTD.
2014279224	CMD HOLDINGS INC.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2020/09/25	Amalgamate Alberta Corporation
2020/10/23	Change Director / Shareholder
2020/11/05	Update Business Number Legal Entity
2021/11/09	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000407138437504	2020/09/25
<a href="#">Share Structure</a>	ELECTRONIC	2020/09/25

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "4" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:45 PM  
Service Request Number: 41288395  
Customer Reference Number: 05099649-11153495

**Corporate Access Number:** 2015036003  
**Business Number:** 832032262  
**Legal Entity Name:** EAST LAKE COLLISION LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2009/11/25 YYYY/MM/DD  
**Date of Last Status Change:** 2024/01/02 YYYY/MM/DD

#### Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

#### Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224

**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR CALGARY EAST LAKE	TN15667371

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2009/11/25	Incorporate Alberta Corporation
2020/02/20	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2024/01/02	Status Changed to Start for Failure to File Annual Returns
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2009/11/25
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2009/11/25
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2009/11/25



The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "5" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:46 PM  
Service Request Number: 41288423  
Customer Reference Number: 05099653-11153496

**Corporate Access Number:** 2018254553  
**Business Number:** 803299247  
**Legal Entity Name:** MAYLAND HEIGHTS COLLISION LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2014/05/29 YYYY/MM/DD

## Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

## Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

## Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET

**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR CALGARY MERIDIAN	TN18298679

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2014/05/29	Incorporate Alberta Corporation
2020/02/21	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2014/05/29
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2014/05/29
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2014/05/29

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "6" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
 Time of Search: 01:45 PM  
 Service Request Number: 41288398  
 Customer Reference Number: 05099652-11153497

**Corporate Access Number:** 2013057456  
**Business Number:** 852238583  
**Legal Entity Name:** SUNRIDGE COLLISION LTD.

**Name History:**

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
SUNRIDGE CARSTAR COLLISION LTD.	2007/04/05

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2007/03/07 YYYY/MM/DD  
**Date of Last Status Change:** 2023/08/17 YYYY/MM/DD

**Registered Office:**

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Records Address:**

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

**Voting Shareholders:**

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
AUTOBAHN CARSTAR COLLISION	TN13382783
CARSTAR CALGARY SUNRIDGE	TN15667355

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2007/03/07	Incorporate Alberta Corporation
2007/04/05	Name Change Alberta Corporation
2020/02/19	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/05/02	Status Changed to Start for Failure to File Annual Returns
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.



**Attachments:**

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded (YYYY/MM/DD)</b>
<a href="#">Share Structure</a>	ELECTRONIC	2007/03/07
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2007/03/07
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2007/03/07

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "7" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:46 PM  
Service Request Number: 41288431  
Customer Reference Number: 05099655-11153498

**Corporate Access Number:** 200754901  
**Business Number:**  
**Legal Entity Name:** ARROW AUTO BODY LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 1974/09/20 YYYY/MM/DD

## Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

## Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

## Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 4610 112 AVE SE

**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2  
**Percent Of Voting Shares:** 100

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
ARROW CARSTAR COLLISION	TN11915212
CARSTAR CALGARY BURNSLAND RD	TN19555366
CARSTAR CALGARY INGLEWOOD	TN15667330

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Continued Under the Business Corporations Act on:** 1982/12/09 YYYY/MM/DD

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "8" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
 Time of Search: 01:46 PM  
 Service Request Number: 41288407  
 Customer Reference Number: 05099657-11153500

**Corporate Access Number:** 2019052345  
**Business Number:** 810730366  
**Legal Entity Name:** ROYAL VISTA COLLISION LTD.

**Name History:**

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1905234 ALBERTA INC.	2017/08/29

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2015/06/24 YYYY/MM/DD  
**Date of Last Status Change:** 2023/12/06 YYYY/MM/DD

**Registered Office:**

**Street:** 4600 112 AVE SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2

**Email Address:** SHANE@COLLISIONKINGS.CA

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE			3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

**Voting Shareholders:**

**Legal Entity Name:** CMD HOLDINGS INC.

**Corporate Access Number:** 2014279224  
**Street:** 171 WATERLOO ST  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** T3N0S4  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR CALGARY ROYAL OAK	TN21771688

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2023/12/06

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2015/06/24	Incorporate Alberta Corporation
2017/08/29	Name Change Alberta Corporation
2020/02/22	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/08/02	Status Changed to Start for Failure to File Annual Returns
2023/12/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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<a href="#">Share Structure</a>	ELECTRONIC	2015/06/24
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2015/06/24
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2015/06/24

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





**THIS IS EXHIBIT "9" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:46 PM  
Service Request Number: 41288427  
Customer Reference Number: 05099658-11153502

**Corporate Access Number:** 2016365534  
**Business Number:** 825090707  
**Legal Entity Name:** CMD GLASS LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2011/10/20 YYYY/MM/DD

## Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

## Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

## Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 4610 112 AVE SE

**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR EXPRESS AUTO CARE CALGARY INGLEWOOD	TN18837070

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2011/10/20	Incorporate Alberta Corporation
2020/02/20	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2011/10/20
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2011/10/20
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2011/10/20

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "10" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:46 PM  
Service Request Number: 41288432  
Customer Reference Number: 05099660-11153504

**Corporate Access Number:** 2010112924  
**Business Number:** 855125647  
**Legal Entity Name:** STATHKO INVESTMENTS LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2002/10/07 YYYY/MM/DD

## Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

## Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

## Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET

**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS PER ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NO RESTRICTIONS  
**Business Restricted From:** NO RESTRICTIONS  
**Other Provisions:** AS PER ATTACHED SCHEDULE "B"

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR CALGARY DOWNTOWN	TN15667348
G.T. CARSTAR COLLISION	TN11915204

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2002/10/07	Incorporate Alberta Corporation
2020/02/18	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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<a href="#">Share Structure</a>	ELECTRONIC	2002/10/07
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2002/10/07

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





**THIS IS EXHIBIT "11" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
Time of Search: 01:46 PM  
Service Request Number: 41288435  
Customer Reference Number: 05099661-11153506

**Corporate Access Number:** 2022089599  
**Business Number:** 784748535  
**Legal Entity Name:** COLLISION KINGS 3 LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2019/08/01 YYYY/MM/DD

#### Registered Office:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

#### Records Address:

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 171 WATERLOO STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3N0S4

#### Voting Shareholders:

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET

**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR GRANDE PRAIRIE	TN22442628
CARSTAR GRANDE PRAIRIE (DON GOLDEN)	TN22824759
DON GOLDEN AUTO BODY	TN22091706

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2022040212	2204021 ALBERTA LTD.
202199590	COLLISION KINGS 3 LTD.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2019/08/01	Amalgamate Alberta Corporation
2020/02/23	Update BN
2022/02/16	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
-----------------	--------------------	----------------------------

<a href="#">Share Structure</a>	ELECTRONIC	2019/08/01
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2019/08/01
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2019/08/01
Statutory Declaration	10000707132001031	2019/08/01

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



**THIS IS EXHIBIT "12" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/01/18  
 Time of Search: 01:47 PM  
 Service Request Number: 41288437  
 Customer Reference Number: 05099662-11153507

**Corporate Access Number:** 2021999319  
**Business Number:** 785508474  
**Legal Entity Name:** 2199931 ALBERTA LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2019/06/19 YYYY/MM/DD

**Registered Office:**

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Records Address:**

**Street:** 3039 UNDERHILL DR NW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2N4E4

**Email Address:** SHANE@COLLISIONKINGS.CA

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE	SYDNEY		3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 171 WATERLOO STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3N0S4

**Voting Shareholders:**

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG

Province: MANITOBA  
Postal Code: R3C0V3  
Percent Of Voting Shares: 100

### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE ATTACHED SCHEDULE  
Share Transfers Restrictions: SEE ATTACHED SCHEDULE  
Min Number Of Directors: 1  
Max Number Of Directors: 10  
Business Restricted To: NONE  
Business Restricted From: NONE  
Other Provisions: SEE ATTACHED SCHEDULE

### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CARSTAR LLOYDMINSTER AB	TN22326359
CARSTAR LLOYDMINSTER SK	TN22326375
CITY CENTER AUTO BODY	TN22339485

### Other Information:

#### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/02

#### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/06/19	Incorporate Alberta Corporation
2020/02/23	Update BN
2022/02/07	Change Agent for Service
2024/01/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

#### Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2019/06/19
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2019/06/19
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2019/06/19

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

\*\*\*







Entity Number: 102081118

Page 1 of 2

Entity Name: 2199931 ALBERTA LTD.

Report Date: 18-Jan-2024

## Entity Details

Entity Type	Business Corporation
Entity Subtype	NWP Corporation
Entity Status	Active
Registration Date	19-Jun-2019
Entity Number in Home Jurisdiction	2021999319
Entity Name in Home Jurisdiction	2199931 ALBERTA LTD.
Home Jurisdiction	Alberta, Canada
Incorporation/Amalgamation Date in Home Jurisdiction	19-Jun-2019
Nature of Business	Holding companies

## Registered Office Addresses

Physical Address	3039 UNDERHILL DR NW, CALGARY, Alberta, Canada, T2N4E4
Mailing Address	2199931 ALBERTA LTD., 3039 UNDERHILL DR NW, CALGARY, Alberta, Canada, T2N4E4

## Directors/Officers

### SHANE DAERDEN (Director)

Effective Date:

19-Jun-2019

Physical Address:

Mailing Address:

## Power of Attorney

### STATHY G. MARKATOS

Physical Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

### NATHAN A. SCHISSEL

Physical Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9



Entity Number: 102081118

Page 2 of 2

Entity Name: 2199931 ALBERTA LTD.

Report Date: 18-Jan-2024

## SAMER AWADH

Physical Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

## Event History

Type	Date
Notice of Change of Registered Office/Mailing Address	05-Jan-2024
Notice of Change of Registered Office/Mailing Address	02-Jan-2024
Power of Attorney	31-May-2023
Power of Attorney	07-Jun-2022
Power of Attorney	15-Jul-2020
Business Corporation - NWP Registration	19-Jun-2019

**THIS IS EXHIBIT "13" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



---

**Kaitlin Ward, Barrister & Solicitor**



File Summary

Registry No : 10030143
Entity Name : NICK'S REPAIR SERVICE LTD.

As of : 18-Jan-2024

Entity Name : NICK'S REPAIR SERVICE LTD.
Registry No : 10030143
Business No : 103881603MC0002
Current Status : Active (New Amalgamated)

Entity Type : BUSINESS CORPORATION
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 01-Dec-2018
Home Jurisdiction : MANITOBA
Annual Return/Renewal Date : 31-Jan-2025
Year of Last A/R - Renewal : 2023
Nature of Business : MOTOR VEHICLE REPAIR SHOP
NAICS Code : 8111

Registered Office Address :
Effective date, if changing address : 01-Dec-2018
Address : MLT AIKINS LLP, 30TH FLOOR-360 MAIN ST, 30TH FLOOR-360 MAIN ST
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3C 4G1

Mailing Address :
Name :
Address : 371 NIAGARA STREET
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3N 0V3

Director Information :
Name : DAERDEN, SHANE
Address : 371 NIAGARA STREET
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3N 0V3

Officer Information :
Name : DAERDEN, SHANE
Address : 371 NIAGARA STREET
City/Province : WINNIPEG, MB
Country/Postal Code : CANADA, R3N 0V3
Position Held as Officer : PRESIDENT, SECRETARY & TREASURER

Shareholders Information (holders of 10% or more of Issued Voting Shares) :
Firm Name : COLLISION KINGS GROUP INC.
Class Name : Common

Shares Held : 100.00

---

**Share Structure :**

<b>Class</b>	<b>Authorized Number</b>
Common	UNLIMITED

Shares are distributed to the public : No

---

**Corporations involved to form Amalgamation :**

Registry No : 546799  
Entity Name : NICK'S REPAIR SERVICE LTD.  
Registry No : 10026922  
Entity Name : 10026922 MANITOBA LTD.

---

**Event History :**

<b>Event</b>	<b>Date :</b>	<b>Filing Year :</b>
AMALGAMATION	01-Dec-2018	
REQUEST BN15 FOR AMALGAMATION SUCCESSOR	09-Jan-2019	
HUB: ASSIGN BN15 FOR BN	09-Jan-2019	
COMPLIANCE STATUS - DEFAULT	24-Feb-2020	
COMPLIANCE STATUS - NOTICE	14-Dec-2020	
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2019
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2020
ANNUAL RETURN (Filed on the Web)	02-Feb-2022	2021
ANNUAL RETURN (Filed on the Web)	25-Jan-2023	2022
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	
ANNUAL RETURN (Filed on the Web)	15-Jan-2024	2023

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The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

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**THIS IS EXHIBIT "14" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



---

**Kaitlin Ward, Barrister & Solicitor**

[Print](#) [Close](#) [View Charges](#) [Return to Search](#)



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File Summary

**Registry No :** 10026923  
**Entity Name :** 10026923 MANITOBA LTD.

As of : 18-Jan-2024

---

Entity Name : 10026923 MANITOBA LTD.  
Registry No : 10026923  
Business No : 729778084MC0001  
Current Status : DEFAULT

---

Entity Type : BUSINESS CORPORATION  
Entity Sub Type : MB SHARE CORPORATION

---

Incorp/Amalg Date : 20-Oct-2018  
Home Jurisdiction : MANITOBA  
Annual Return/Renewal Date : 30-Nov-2023  
Year of Last A/R - Renewal : 2022  
Nature of Business : MISCELLANEOUS SERVICES  
NAICS Code : 551113

---

**Registered Office Address :**

Effective date, if changing address : 20-Oct-2018  
Address : MLT AIKINS LLP, 30TH FLOOR-360 MAIN ST, 30TH FLOOR-360 MAIN ST  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

---

**Mailing Address :**

Name :  
Address : MLT AIKINS LLP, 30TH FLOOR, 360 MAIN STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

---

**Director Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3

---

**Officer Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3  
Position Held as Officer : PRESIDENT, SECRETARY & TREASURER

---

**Shareholders Information (holders of 10% or more of Issued Voting Shares) :**

Firm Name : COLLISION KINGS GROUP INC.  
Class Name : COMMON

Shares Held : 10.00

---

**Share Structure :**

<b>Class</b>	<b>Authorized Number</b>
COMMON	UNLIMITED

Shares are distributed to the public : No

---

**Event History :**

<b><u>Event</u></b>	<b><u>Date :</u></b>	<b><u>Filing Year :</u></b>
INCORPORATION (Filed on the Web)	20-Oct-2018	
HUB: ASSIGN BN	20-Oct-2018	
COMPLIANCE STATUS - DEFAULT	23-Dec-2019	
ANNUAL RETURN (Filed on the Web)	14-Aug-2020	2019
COMPLIANCE STATUS - DEFAULT	21-Dec-2020	
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2020
COMPLIANCE STATUS - DEFAULT	20-Dec-2021	
ANNUAL RETURN (Filed on the Web)	23-Sep-2022	2021
ANNUAL RETURN (Filed on the Web)	21-Nov-2022	2022
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	
COMPLIANCE STATUS - DEFAULT	18-Dec-2023	

---

**The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.**

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THIS IS EXHIBIT "15" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024



---

Kaitlin Ward, Barrister & Solicitor



File Summary

**Registry No :** 10022596  
**Entity Name :** BUNZY'S AUTO BODY LTD.

As of : 18-Jan-2024

Entity Name : BUNZY'S AUTO BODY LTD.  
Registry No : 10022596  
Business No : 100691401MC0002  
Current Status : Active (New Amalgamated)

Entity Type : BUSINESS CORPORATION  
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 31-Jul-2018  
Home Jurisdiction : MANITOBA  
Annual Return/Renewal Date : 31-Aug-2024  
Year of Last A/R - Renewal : 2023  
Nature of Business : MOTOR VEHICLE REPAIR SHOP  
NAICS Code : 8111

**Registered Office Address :**

Effective date, if changing address : 31-Jul-2018  
Address : 30TH FLOOR, 360 MAIN STREET, MLT AIKINS LLP  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Mailing Address :**

Name :  
Address : MLT AIKINS LLP, 30TH FLOOR, 360 MAIN STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Director Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3

**Officer Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3  
Position Held as Officer : PRESIDENT

**Shareholders Information (holders of 10% or more of Issued Voting Shares) :**

Firm Name : COLLISION KINGS GROUP INC.  
Class Name : Common

Shares Held : 100.00

---

**Share Structure :**

<b>Class</b>	<b>Authorized Number</b>
Common	UNLIMITED

Shares are distributed to the public : No

---

**Corporations involved to form Amalgamation :**

Registry No : 367427  
Entity Name : BUNZY'S AUTO BODY LTD.  
Registry No : 10021134  
Entity Name : 10021134 MANITOBA LTD.

---

**Event History :**

<b>Event</b>	<b>Date :</b>	<b>Filing Year :</b>
AMALGAMATION	31-Jul-2018	
REQUEST BN15 FOR AMALGAMATION SUCCESSOR	22-Aug-2018	
HUB: ASSIGN BN15 FOR BN	22-Aug-2018	
COMPLIANCE STATUS - DEFAULT	23-Sep-2019	
ANNUAL RETURN (Filed on the Web)	04-May-2020	2019
COMPLIANCE STATUS - DEFAULT	21-Sep-2020	
ANNUAL RETURN (Filed on the Web)	23-Nov-2020	2020
CHANGE OF MAILING ADDRESS (Filed on the Web)	25-Nov-2020	
COMPLIANCE STATUS - DEFAULT	20-Sep-2021	
ANNUAL RETURN (Filed on the Web)	17-May-2022	2021
ANNUAL RETURN (Filed on the Web)	12-Aug-2022	2022
ANNUAL RETURN (Filed on the Web)	03-Aug-2023	2023
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	

---

**The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.**

---

THIS IS EXHIBIT "16" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024



---

Kaitlin Ward, Barrister & Solicitor

**COLLISION KING GROUP INC.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**COLLISION KING GROUP INC.**  
**Index to Compiled Financial Information**  
**Year Ended July 31, 2022**

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COMPILATION ENGAGEMENT REPORT	1
COMPILED FINANCIAL INFORMATION	
Balance Sheet	2
Statement of Loss and Deficit	3
Notes to Compiled Financial Information	4

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of Collision King Group Inc.

On the basis of information provided by management, we have compiled the balance sheet of Collision King Group Inc. as at July 31, 2022, and the statement of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
January 31, 2023

CHARTERED PROFESSIONAL  
ACCOUNTANTS

**COLLISION KING GROUP INC.**

**Balance Sheet**

**July 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ -	\$ 78,602
Accounts receivable	10,275	40,906
Prepaid expenses	3,022	15,469
	<u>13,297</u>	134,977
PROPERTY, PLANT AND EQUIPMENT <i>(Note 2)</i>	112,730	119,630
LONG TERM INVESTMENTS	283,260	186,345
	<u>\$ 409,287</u>	<u>\$ 440,952</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ 84,929	\$ -
Accounts payable	150,597	120,388
Due to government agencies	32,249	14,166
Due to related parties	1,333,602	608,067
	<u>1,601,377</u>	742,621
LONG TERM DEBT	30,000	30,000
DUE TO SHAREHOLDERS	4,523	5,023
	<u>1,635,900</u>	777,644
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	10	10
Deficit	(1,226,623)	(336,702)
	<u>(1,226,613)</u>	(336,692)
	<u>\$ 409,287</u>	<u>\$ 440,952</u>

The accompanying notes are an integral part of the financial information.



**COLLISION KING GROUP INC.**  
**Statement of Loss and Deficit**  
**Year Ended July 31, 2022**

	2022	2021
<b>REVENUES</b>	<b>\$ 1,617,924</b>	<b>\$ 1,003,746</b>
<b>EXPENSES</b>		
Advertising and promotion	80,199	128,021
Amortization	32,550	16,116
Business taxes, licenses and memberships	16,014	8,977
Insurance	120,775	2,230
Interest and bank charges	41,824	4,586
Meals and entertainment	95,890	58,147
Office	181,895	64,871
Professional fees	470,233	134,016
Rental	87,018	26,209
Repairs and maintenance	14,459	6,335
Salaries and wages	1,096,196	705,030
Telephone	17,950	4,105
Travel	199,529	80,376
Utilities	47,927	2,445
Vehicle	16,079	16,518
	<u>2,518,538</u>	<u>1,257,982</u>
<b>LOSS FROM OPERATIONS</b>	<b>(900,614)</b>	<b>(254,236)</b>
<b>OTHER INCOME</b>		
Gain/ Loss on exchange	(1,828)	-
Government Assistance	12,521	129,773
	<u>10,693</u>	<u>129,773</u>
<b>NET LOSS</b>	<b>(889,921)</b>	<b>(124,463)</b>
DEFICIT - BEGINNING OF YEAR	<u>(336,702)</u>	<u>(212,239)</u>
<b>DEFICIT - END OF YEAR</b>	<b>\$ (1,226,623)</b>	<b>\$ (336,702)</b>

The accompanying notes are an integral part of the financial information.

**COLLISION KING GROUP INC.**  
**Notes to Compiled Financial Information**  
**Year Ended July 31, 2022**

---

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Collision King Group Inc. as at July 31, 2022, and the statement of loss and deficit for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
  - investments recorded at cost
  - property, plant and equipment amortized on the same basis as for income tax
  - accounts payable and accrued liabilities
- 

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Computer equipment	\$ 28,544	\$ 13,909	\$ 14,635	\$ 9,121
Furniture and fixtures	77,031	20,735	<b>56,296</b>	65,280
Leasehold improvements	56,494	14,695	<b>41,799</b>	45,229
	<b>\$ 162,069</b>	<b>\$ 49,339</b>	<b>\$ 112,730</b>	<b>\$ 119,630</b>

---

**THIS IS EXHIBIT "17" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



---

**Kaitlin Ward, Barrister & Solicitor**

**CMD HOLDINGS INC.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Cmd Holdings Inc.

We have reviewed the accompanying non - consolidated financial statements of CMD Holdings Inc. that comprise the non-consolidated balance sheet as at July 31, 2022, and the non - consolidated statements of net income (loss) and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non - consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of non - consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non - consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non - consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non - consolidated financial statements do not present fairly, in all material respects, the financial position of CMD Holdings Inc. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.

**CMD HOLDINGS INC.****NON-CONSOLIDATED BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	6,707	3,217
Accounts receivable <i>(note 3)</i>	-	13,056
Prepaid expenses	14,749	12,263
Advances to affiliated companies <i>(note 4)</i>	4,505,616	4,077,908
	<u>4,527,072</u>	<u>4,106,444</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 5)</i>	17,259	29,359
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 6)</i>	65,000	-
<b>INVESTMENT IN SUBSIDIARIES</b> <i>(note 7)</i>	8,316,700	8,719,427
	<u>12,926,031</u>	<u>12,855,230</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness <i>(note 8)</i>	768,000	762,000
Accounts payable and accrued liabilities	38,083	450,365
Due to government agencies	94,733	93,793
Income and other taxes payable	36,555	34,917
Deferred revenue <i>(note 13)</i>	2,184,926	2,371,461
Advances from affiliated companies <i>(note 9)</i>	5,653,570	3,912,466
Current portion of long-term debt <i>(note 10)</i>	897,000	857,143
	<u>9,672,867</u>	<u>8,482,145</u>
<b>LONG-TERM DEBT</b> <i>(note 10)</i>	4,071,571	4,968,571
<b>FUTURE INCOME TAXES PAYABLE</b> <i>(note 11)</i>	930	1,214
	<u>13,745,368</u>	<u>13,451,930</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 16)</i>	530	530
<b>CONTRIBUTED SURPLUS</b>	1,012,453	1,012,453
<b>DEFICIT</b>	(1,832,320)	(1,609,683)
	<u>(819,337)</u>	<u>(596,700)</u>
	<u>12,926,031</u>	<u>12,855,230</u>
<b>COMMITMENTS</b> <i>(note 13)</i>		

The accompanying notes are an integral part of these financial statements

**CMD HOLDINGS INC.****NON-CONSOLIDATED STATEMENT OF NET INCOME (LOSS) AND DEFICIT**

	2022	2021
	\$	\$
<b>REVENUE</b>		
Gain on disposal of capital assets	12,522	-
Management fees	-	538,901
Miscellaneous income	9,970	26,841
	<u>22,492</u>	<u>565,742</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>310,413</u>	<u>560,831</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(287,921)</u>	<u>4,911</u>
<b>OTHER ITEMS</b>		
Federal government assistance	-	133,994
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(287,921)</u>	<u>138,905</u>
<b>INCOME TAXES (RECOVERED)</b>		
Current	-	36,564
Future	(65,284)	(871)
	<u>(65,284)</u>	<u>35,693</u>
<b>NET INCOME (LOSS)</b>	(222,637)	103,212
<b>DEFICIT, BEGINNING OF YEAR</b>	<u>(1,609,683)</u>	<u>(1,712,895)</u>
<b>DEFICIT, END OF YEAR</b>	<u>(1,832,320)</u>	<u>(1,609,683)</u>

The accompanying notes are an integral part of these financial statements

**CMD HOLDINGS INC.****NON - CONSOLIDATED STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(222,637)	103,212
Items not affecting cash:		
Amortization	6,220	11,461
Gain on disposal of capital assets	(12,522)	-
Future income taxes recovery	(65,284)	(871)
	<u>(294,223)</u>	<u>113,802</u>
Net changes in non-cash working capital affecting operations: <i>(note 17)</i>	<u>(585,669)</u>	<u>777,006</u>
	<u>(879,892)</u>	<u>890,808</u>
<b>FINANCING</b>		
Advances of long - term debt	-	6,500,000
Repayment of long-term debt	(857,143)	(2,515,186)
Advances to affiliated companies	(427,708)	1,907,581
Repayment of advances from affiliated companies	1,741,104	-
	<u>456,253</u>	<u>5,892,395</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	(1,950)	-
Proceeds on disposal of property, plant and equipment	20,352	-
Increase in investment in subsidiaries	-	(8,368,827)
Decrease in investment in subsidiaries	402,727	-
	<u>421,129</u>	<u>(8,368,827)</u>
<b>DECREASE IN CASH RESOURCES</b>	(2,510)	(1,585,624)
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>(758,783)</u>	<u>826,841</u>
<b>CASH DEFICIENCY, END OF YEAR</b>	<u><u>(761,293)</u></u>	<u><u>(758,783)</u></u>
<b>CASH DEFICIENCY IS REPRESENTED BY:</b>		
Cash	6,707	3,217
Bank indebtedness	<u>(768,000)</u>	<u>(762,000)</u>
	<u><u>(761,293)</u></u>	<u><u>(758,783)</u></u>

The accompanying notes are an integral part of these financial statements



# CMD HOLDINGS INC.

## NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 1. OPERATIONS

CMD Holdings Inc. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of a holding company. The company is classified as a private corporation under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### a) REVENUE RECOGNITION

Management fee revenue at the time the related services are provided and recognized only when the amount is known and collection is reasonably assured.

#### b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### c) CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### d) PROPERTY, PLANT AND EQUIPMENT

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	Method	Rate
Automotive	declining balance	30 % per annum
Computer equipment	declining balance	30 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	20 % per annum
Leasehold improvements	straight line	20 % per annum

July 31, 2022

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e) **INCOME TAXES**

The Company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

f) **FINANCIAL INSTRUMENTS**

***Initial and subsequent measurement***

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

***Transaction costs***

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

***Impairment***

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

# CMD HOLDINGS INC.

## NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) INVESTMENTS IN SUBSIDIARIES AND ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE

The company elected to account for its investments in subsidiaries and in significantly influenced entities using the cost method. The carrying amount corresponds to the initial cost and investment earnings are recorded in net income as they become due. At the end of each reporting period, the company determines whether there are indications that the investment may be impaired. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The adjusted carrying amount of the investment may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The adjusted carrying amount of the investment may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### h) LONG-TERM CONTRACTS

Revenue from fixed price long-term contracts referred to prebate of \$2,200,000 is accounted for using the percentage of completion method, by reference to the degree of completion of contract activities. The degree of completion is determined based on Axalta paint costs incurred at the balance sheet date in relation to the total Axalta paint costs expected to be incurred of \$10,213,016 over the contract period. This estimate is applied to the expected revenue and, as a result, revenue is recognized proportionately with the degree of completion as of a given date. This revenue is recognized when persuasive evidence of an arrangement exists, amounts are determinable, and ultimate collection is reasonably assured.

## 3. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
	\$	\$
Federal government assistance	-	4,677
Other	-	8,379
	<u>-</u>	<u>13,056</u>

**CMD HOLDINGS INC.****NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
Arrow Auto Body Ltd.	1,526,977	1,576,789
Royal Vista Collision Ltd.	148,988	117,598
CMD Glass Ltd.	138,563	102,844
Collision King 3 Ltd.	70,817	9,315
Mayland Heights Collision Ltd.	1,225,108	1,499,580
Collision Kings Group Ltd.	1,341,523	771,147
Nick's Repair Service Ltd.	41,085	635
Bunzy's Auto Body Ltd.	12,555	-
	<u>4,505,616</u>	<u>4,077,908</u>

**5. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Automotive	80,672	72,751	7,921	120,490	101,345	19,145
Computer equipment	59,440	56,688	2,752	59,440	55,509	3,931
Equipment	20,950	15,373	5,577	19,000	13,978	5,022
Furniture and fixtures	6,743	5,734	1,009	6,743	5,482	1,261
Leasehold improvements	28,346	28,346	-	28,346	28,346	-
	<u>196,151</u>	<u>178,892</u>	<u>17,259</u>	<u>234,019</u>	<u>204,660</u>	<u>29,359</u>

**6. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Non-capital loss carryforward	<u>65,000</u>	<u>-</u>

# CMD HOLDINGS INC.

## NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 7. INVESTMENT IN SUBSIDIARIES

The Company elected to account for its investments in subsidiaries and in significantly influenced entities using the cost method. Note 1 (h)

	2022	2021
	\$	\$
100% of the Class A voting shares of Stathko Investments Ltd.	838,738	879,327
100% of the Class A voting shares of Sunridge Collision Ltd.	1,396,897	1,464,545
100% of the Class A voting shares of East Lake Collision Ltd.	997,783	1,046,103
100% of the Class A voting shares of Arrow Auto Body Ltd.	1,531,173	1,605,324
100% of the Class A voting shares of CMD Glass Ltd.	1,197,340	1,255,324
100% of the Class A voting shares of Mayland Heights Collision Ltd.	997,783	1,046,103
100% of the Class A voting shares of Royal Vista Collision Ltd.	1,356,986	1,422,701
	<u>8,316,700</u>	<u>8,719,427</u>

### 8. BANK INDEBTEDNESS

The Company has access to a operating loan to a maximum of \$800,000 and bears interest at bank's prime lending rate plus 0.75% per annum; 5.45% as of July 31, 2022 (3.95 % : July 31, 2021). The facility is secured by a general security agreement covering all assets of the Company, unlimited guarantees by the subsidiary companies, 2199931 Alberta Ltd, Collision Kings 3 Ltd, and personal guarantees by the Directors of the Company. Balance as at July 31, 2022 \$768,000.

### 9. ADVANCES FROM AFFILIATED COMPANIES

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Inc.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	2022	2021
	\$	\$
Stathko Investments Ltd.	2,276,254	2,012,179
Sunridge Collision Ltd.	1,174,240	1,100,285
East Lake Collision Ltd.	818,600	505,070
Bunzy's Auto Body Ltd.	-	456
2199931 Alberta Ltd.	1,384,476	294,476
	<u>5,653,570</u>	<u>3,912,466</u>

**CMD HOLDINGS INC.****NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**July 31, 2022

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**10. LONG-TERM DEBT**

	<u>2022</u>	<u>2021</u>
	\$	\$
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$20,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
Loan, repayable over a five year term of principal plus interest at a rate of 5%, maturing September 2025. On each of first and second anniversary dates of closing; payment of accrued interest only; and on the third, fourth, and fifth anniversary dates of closing a payment of \$166,666.66 plus accrued interest, secured by a subordinated general security agreement over all of Debtor's present and after acquired personal property and the proceeds therefrom.	500,000	500,000
Loan, repayable in monthly instalments of \$71,428, including principal at a rate of prime plus 1.25% as at July 31, 2022: 5.95% (3.70%: 2021), maturing in September 2025, General Security Agreements representing a First charge on all CMD Holdings Inc, Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd., Stathko Investments Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd. and Collision Kings Group Inc.; present and after acquired personal property; as well as, a share pledge agreement and unlimited personal Guarantees of Shareholders.	4,428,571	5,285,714
	<u>4,968,571</u>	<u>5,825,714</u>
Less: current portion	<u>897,000</u>	<u>857,143</u>
	<u><u>4,071,571</u></u>	<u><u>4,968,571</u></u>

# CMD HOLDINGS INC.

## NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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Estimated principal repayments for the next five years are as follows:

2023	897,000
2024	1,024,000
2025	1,024,000
2026	1,024,000
2027	857,000

### 11. FUTURE INCOME TAXES PAYABLE

These future income taxes are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of net book value over undepreciated capital cost	<u>930</u>	<u>1,214</u>

### 12. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The Company is exposed to this risk mainly in respect of its bank indebtedness and accounts payable and other amounts owing. The Liquidity risk is that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to ensure that the Company can repay trade creditors as necessary.

**Credit risk:** The Company's credit risk is mainly related to accounts receivable. The company provides credit to its clients in the normal course of operations.

**Interest risk:** The Company is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the company to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating interest rate instruments subject the company to changes in related future cash flows.

### 13. COMMITMENTS

The Company has a Master Incentive Program Agreement, on behalf of itself and its subsidiaries for a term of 84 months; ending December 31, 2027. The supply agreement, requires the Company's subsidiaries to make minimum quarterly paint purchases, with an aggregate purchases of \$10,213,016 over the term.

## **CMD HOLDINGS INC.**

### **NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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#### **14. NON-CONSOLIDATED FINANCIAL STATEMENTS**

These non-consolidated financial statements are not general purpose financial statements and have been prepared to assist the Company in preparing its corporate income tax returns. Consolidated financial statements accompanied by an independent review report dated ----- have been prepared for the shareholders.

#### **15. CONTINGENCIES**

The Company is the guarantor for three property leases to a subsidiaries subject to significant influence. These leases expire, February 28, 2029; February 28, 2023 and February 28, 2029 . No consideration was received by the company, and no amount for the guarantees was recognized in the financial statements.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of 2199931 Alberta Ltd. up to \$1,000,000. The outstanding balance as at July 31, 2022 \$1,000,000.

The Company, together with the companies under common control have unlimited corporate guarantee of advances executed for the obligations of 2199931 Alberta Ltd.. The outstanding balance as of November 21, 2022 \$1,802,332.

The Company, together with the companies under common control have unlimited corporate guarantee of advances executed for the obligations of Collision Kings 3 Ltd.. The outstanding balance as of November 21, 2022 \$920,524.

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements



**CMD HOLDINGS INC.****NON - CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**July 31, 2022

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**16. SHARE CAPITAL**

	<u>2022</u>	<u>2021</u>
	\$	\$
104 Class D common voting shares	10	10
100 Class E common voting shares	10	10
100 Class F common voting shares	10	10
3,330,436 Class K preferred shares	<u>166</u>	<u>166</u>
	<u>530</u>	<u>530</u>

**17. CASH FLOW STATEMENT**

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	13,056	(13,056)
Prepaid expenses	(2,486)	(4,384)
Accounts payable and accrued liabilities	(412,282)	425,087
Due to government agencies	940	(8,525)
Income taxes payable (recoverable)	1,638	(15,620)
Promissory note	-	(1,139,034)
Deferred revenue	(186,535)	2,371,461
Callable debt	-	(838,923)
	<u>(585,669)</u>	<u>777,006</u>

**NON - CONSOLIDATED SCHEDULE OF EXPENSES**

	2022	2021
	\$	\$
Advertising and promotion	-	7,100
Amortization	6,220	11,461
Bad debts	13,379	-
Business taxes	(2,653)	-
Donations	-	2,200
Employee benefits	-	20,725
Insurance	32,397	38,090
Interest and service charges	27,655	42,732
Interest on long-term debt	219,050	209,287
Taxes & penalties	4,893	17
Occupancy Costs	-	20,003
Office	4,080	45,591
Professional fees	5,392	67,930
Salaries	-	82,530
Telephone and internet	-	13,165
	<u>310,413</u>	<u>560,831</u>

**The accompanying notes are an integral part of these financial statements**

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

THIS IS EXHIBIT "18" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024



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Kaitlin Ward, Barrister & Solicitor

**EAST LAKE COLLISION LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
East Lake Collision Ltd.

We have reviewed the accompanying financial statements of East Lake Collision Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of net income (loss) and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of East Lake Collision Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 21, 2023



Chartered Professional Accountants Inc.

**EAST LAKE COLLISION LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	4,331	78,123
Accounts receivable <i>(note 3)</i>	312,748	518,636
Income taxes recoverable	29,130	-
Inventory <i>(note 4)</i>	114,583	113,764
Prepaid expenses	68,341	43,050
Advances to affiliated companies <i>(note 5)</i>	1,750,974	768,813
	<u>2,280,107</u>	<u>1,522,386</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 6)</i>	110,337	116,460
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 7)</i>	<u>39,500</u>	<u>10,400</u>
	<u>2,429,944</u>	<u>1,649,246</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	301,487	309,692
Accrued wages payable	13,932	21,221
Due to government agencies	3,695	2,788
Income and other taxes payable	-	44,244
Deposits	195,619	162,841
Advances from affiliated companies <i>(note 8)</i>	1,119,160	809,875
Current portion of long-term debt <i>(note 9)</i>	63,000	-
	<u>1,696,893</u>	<u>1,350,661</u>
<b>LONG-TERM DEBT</b> <i>(note 9)</i>	<u>727,000</u>	<u>40,000</u>
	<u>2,423,893</u>	<u>1,390,661</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 14)</i>	100	100
<b>RETAINED EARNINGS</b>	5,951	258,485
	<u>6,051</u>	<u>258,585</u>
	<u>2,429,944</u>	<u>1,649,246</u>
<b>COMMITMENTS</b> <i>(note 12)</i>		
<b>CONTINGENCIES</b> <i>(note 13)</i>		

The accompanying notes are an integral part of these financial statements

**EAST LAKE COLLISION LTD.****STATEMENT OF NET INCOME (LOSS) AND RETAINED EARNINGS**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>3,288,943</u>	<u>2,737,817</u>
<b>COST OF SALES</b>	<u>2,039,301</u>	<u>1,659,045</u>
<b>GROSS PROFIT</b>	<u>1,249,642</u>	<u>1,078,772</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>1,413,879</u>	<u>1,008,741</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(164,237)</u>	<u>70,031</u>
<b>OTHER ITEMS</b>		
Gain on disposal of capital assets	5,750	-
Management fees, affiliated parent company	(201,994)	(198,101)
Federal government assistance	<u>34,520</u>	<u>322,348</u>
	<u>(161,724)</u>	<u>124,247</u>
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(325,961)</u>	<u>194,278</u>
<b>INCOME TAXES (RECOVERED)</b>		
Current	(44,327)	44,307
Future	<u>(29,100)</u>	<u>(10,400)</u>
	<u>(73,427)</u>	<u>33,907</u>
<b>NET INCOME (LOSS)</b>	(252,534)	160,371
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>258,485</u>	<u>98,114</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>5,951</u></u>	<u><u>258,485</u></u>

The accompanying notes are an integral part of these financial statements



**EAST LAKE COLLISION LTD.**  
**STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(252,534)	160,371
Items not affecting cash:		
Amortization	27,991	32,424
Gain on disposal of capital assets	(5,750)	-
Future income taxes recovery	(29,100)	(10,400)
	<u>(259,393)</u>	<u>182,395</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>124,595</u>	<u>(209,186)</u>
	<u>(134,798)</u>	<u>(26,791)</u>
<b>FINANCING</b>		
Advances of long - term debt	750,000	10,000
Advances to affiliated companies	(982,161)	25,545
Repayment of advances from affiliated companies	309,285	222,362
	<u>77,124</u>	<u>257,907</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	(22,470)	(16,583)
Proceeds on disposal of property, plant and equipment	6,352	-
	<u>(16,118)</u>	<u>(16,583)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(73,792)	214,533
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>78,123</u>	<u>(136,410)</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u><u>4,331</u></u>	<u><u>78,123</u></u>

The accompanying notes are an integral part of these financial statements

# **EAST LAKE COLLISION LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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### **1. OPERATIONS**

East Lake Collision Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### **a) REVENUE RECOGNITION**

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### **b) MEASUREMENT UNCERTAINTY**

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### **c) CASH AND CASH EQUIVALENTS**

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### **d) INVENTORY**

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	Method	Rate
Automotive	declining balance	30 % per annum
Computer equipment	declining balance	20 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	15 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	10 % per annum
Booths	declining balance	20 % per annum

### f) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade receivables	312,748	422,971
Federal government assistance	-	95,415
Other receivables	-	250
	<u>312,748</u>	<u>518,636</u>

**EAST LAKE COLLISION LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$1,046,444.

	2022	2021
	\$	\$
Parts and materials	20,453	15,034
Work in process	94,130	98,730
	<u>114,583</u>	<u>113,764</u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	2022	2021
	\$	\$
Sunridge Collision Ltd.	15,249	58,971
Royal Vista Collision Ltd.	175,432	197,752
Collision Kings 3 Ltd.	135,913	-
Collision Kings Group Ltd.	448,760	-
CMD Holdings Inc.	818,600	505,070
Nick's Repair Service Ltd.	45,419	419
Bunzy's Auto Body Ltd.	91,601	6,601
2199931 Alberta Ltd.	20,000	-
	<u>1,750,974</u>	<u>768,813</u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	2022			2021		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Automotive	-	-	-	12,300	11,697	603
Computer equipment	24,277	20,503	3,774	24,277	18,886	5,391
Equipment	273,648	224,734	48,914	253,951	212,506	41,445
Furniture and fixtures	18,021	14,040	3,981	15,249	13,045	2,204
Leasehold improvements	15,428	15,428	-	15,428	15,024	404
Signs	17,025	12,195	4,830	17,025	11,659	5,366
Booths	414,407	365,569	48,838	414,407	353,360	61,047
	<u>762,806</u>	<u>652,469</u>	<u>110,337</u>	<u>752,637</u>	<u>636,177</u>	<u>116,460</u>

# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 7. FUTURE INCOME TAXES RECEIVABLE

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	15,200	10,400
Non-capital loss carryforward	24,300	-
	<u>39,500</u>	<u>10,400</u>

### 8. ADVANCES FROM AFFILIATED COMPANIES

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
Stathko Investments Ltd.	373,142	386,305
Arrow Auto Body Ltd.	648,466	302,324
CMD Glass Ltd.	28,273	6,880
Collision Kings 3 Ltd.	-	2,828
Mayland Heights Collision Ltd.	69,279	66,778
Collision Kings Group Ltd.	-	44,760
	<u>1,119,160</u>	<u>809,875</u>

# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

### 9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
	\$	\$
HASCAP Term Loan, the loan is obtained at a fixed interest rate of 4% and the contractual term maturity date will be 10 years from the date of drawdown. For the first 12 months from the date of drawdown (the 'Moratorium'), the borrower is required to pay interest only payments on a monthly basis. Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of \$ 8,278.55. Maturing March 2032, secured by Guarantee of Advances in favour of Mayland Heights Collision Ltd., East Lake Collision Ltd, Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. - Limited CAD \$750,000 and Business Development Bank of Canada to the Bank.	750,000	-
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$20,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>790,000</u>	<u>40,000</u>
Less: current portion	<u>63,000</u>	<u>-</u>
	<u>727,000</u>	<u>40,000</u>

Under the terms of the loan agreement, the company is required negative covenants; no distributions are permitted within the first 12 months of the HASCAP loan unless the distribution is made between the Borrower and guarantors or between guarantors. As of July 31, 2022, the Company was not complying with these covenants.

In November 21, 2022, the company renegotiated the terms of the loans in order to comply with the covenants and the lender has been provided Unlimited Corporate Guarantee of advances from CMD Holdings Inc; Collision Kings Group Inc; 2199931 Alberta Ltd. and Collision Kings 3 Ltd.

Estimated principal repayments for the next five years are as follows:

2023	63,000
2024	71,500
2025	74,500
2026	77,500
2027	80,600

# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

### 11. RELATED PARTY TRANSACTIONS

The related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$106,463) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$201,994 (2021:\$91,638) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	10,094

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 4600-112 Avenue SE, Calgary. The lease agreement is for a ten year term expiring February 28, 2023.

2023: \$105,000

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.



# EAST LAKE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements.

### 14. SHARE CAPITAL

	2022	2021
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

### 15. CASH FLOW STATEMENT

	2022	2021
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	205,888	(310,446)
Prepaid expenses	(25,291)	(41,865)
Inventory	(819)	130,171
Accounts payable and accrued liabilities	(8,205)	113,656
Due to government agencies	907	(1,553)
Income taxes payable (recoverable)	(73,374)	10,527
Accrued wages payable	(7,289)	2,245
Deposits	<u>32,778</u>	<u>(111,921)</u>
	<u>124,595</u>	<u>(209,186)</u>

## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	3,743	5,183
Amortization	27,991	32,424
Bad debts	8,498	5,105
Employee benefits	74,306	66,737
Franchise fees	97,330	87,850
Insurance	6,595	5,230
Interest and service charges	8,654	4,852
Interest on long-term debt	9,699	-
Occupancy Costs	458,402	339,571
Office	51,269	43,564
Professional fees	6,429	10,141
Salaries	372,770	258,741
Selling expenses	108,698	57,893
Supplies	110,006	51,804
Taxes & penalties	1,618	-
Telephone and internet	4,596	10,446
Warranty expense	63,275	29,200
	<u>1,413,879</u>	<u>1,008,741</u>

The accompanying notes are an integral part of these financial statements

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "19" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



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**Kaitlin Ward, Barrister & Solicitor**

**MAYLAND HEIGHTS COLLISION LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Mayland Heights Collision Ltd.

We have reviewed the accompanying financial statements of Mayland Heights Collision Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of net income (loss) and retained earnings (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Mayland Heights Collision Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.

**MAYLAND HEIGHTS COLLISION LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	7,788	9,133
Accounts receivable <i>(note 3)</i>	287	230,448
Due from government receivables	1,210	-
Inventory <i>(note 4)</i>	-	68,380
Prepaid expenses	30,490	6,966
Advances to affiliated companies <i>(note 5)</i>	1,668,317	1,319,304
	<u>1,708,092</u>	<u>1,634,231</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 6)</i>	113,725	92,312
<b>ASSETS UNDER CAPITAL LEASE</b> <i>(note 2, note 7)</i>	108,779	-
<b>GOODWILL</b>	241,462	241,462
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 8)</i>	50,535	5,580
	<u>2,222,593</u>	<u>1,973,585</u>

The accompanying notes are an integral part of these financial statements

**MAYLAND HEIGHTS COLLISION LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	40,062	116,024
Accrued wages payable	-	9,823
Due to government agencies	-	3,472
Deposits	86,655	87,082
Advances from affiliated companies <i>(note 9)</i>	1,230,435	1,597,687
Current portion of long-term debt <i>(note 10)</i>	63,000	-
Current portion of obligation under capital lease <i>(note 11)</i>	20,900	-
	<u>1,441,052</u>	<u>1,814,088</u>
<b>LONG-TERM DEBT</b> <i>(note 10)</i>	727,000	40,000
<b>OBLIGATION UNDER CAPITAL LEASE</b> <i>(note 11)</i>	88,960	-
	<u>2,257,012</u>	<u>1,854,088</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 17)</i>	100	100
<b>RETAINED EARNINGS (DEFICIT)</b>	(34,519)	119,397
	<u>(34,419)</u>	<u>119,497</u>
	<u>2,222,593</u>	<u>1,973,585</u>
<b>COMMITMENTS</b> <i>(note 14)</i>		
<b>CONTINGENCIES</b> <i>(note 16)</i>		

The accompanying notes are an integral part of these financial statements



**MAYLAND HEIGHTS COLLISION LTD.****STATEMENT OF NET INCOME (LOSS) AND RETAINED EARNINGS (DEFICIT)**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>465,713</u>	<u>1,102,430</u>
<b>COST OF SALES</b>	<u>346,369</u>	<u>700,419</u>
<b>GROSS PROFIT</b>	<u>119,344</u>	<u>402,011</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>320,500</u>	<u>501,211</u>
<b>OPERATING LOSS</b>	<u>(201,156)</u>	<u>(99,200)</u>
<b>OTHER ITEMS</b>		
Gain on disposal of capital assets	16,161	-
Management fees, affiliated parent company	(35,107)	(81,402)
Federal government assistance	<u>21,231</u>	<u>206,644</u>
	<u>2,285</u>	<u>125,242</u>
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(198,871)</u>	<u>26,042</u>
<b>INCOME TAXES (RECOVERED)</b>		
Future	<u>(44,955)</u>	<u>(5,580)</u>
<b>NET INCOME (LOSS)</b>	(153,916)	31,622
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>119,397</u>	<u>87,775</u>
<b>RETAINED EARNINGS (DEFICIT), END OF YEAR</b>	<u><u>(34,519)</u></u>	<u><u>119,397</u></u>

The accompanying notes are an integral part of these financial statements

**MAYLAND HEIGHTS COLLISION LTD.****STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(153,916)	31,622
Items not affecting cash:		
Amortization	38,176	23,177
Gain on disposal of capital assets	(16,161)	-
Future income taxes recovery	(44,955)	(5,580)
	<u>(176,856)</u>	<u>49,219</u>
Net changes in non-cash working capital affecting operations: <i>(note 18)</i>	<u>184,120</u>	<u>(90,649)</u>
	<u>7,264</u>	<u>(41,430)</u>
<b>FINANCING</b>		
Advances of long - term debt	750,000	10,000
Proceeds from obligation under capital lease	(6,686)	-
Advances to affiliated companies	(349,013)	(16,681)
Repayment of advances from affiliated companies	(367,252)	53,072
	<u>27,049</u>	<u>46,391</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	(59,658)	(4,550)
Proceeds on disposal of property, plant and equipment	24,000	-
	<u>(35,658)</u>	<u>(4,550)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(1,345)	411
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>9,133</u>	<u>8,722</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u><u>7,788</u></u>	<u><u>9,133</u></u>

The accompanying notes are an integral part of these financial statements

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

---

**1. OPERATIONS**

Mayland Heights Collision Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

**a) REVENUE RECOGNITION**

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

**b) MEASUREMENT UNCERTAINTY**

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

**c) CASH AND CASH EQUIVALENTS**

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

**d) INVENTORY**

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life.

Capital leases equipment is recorded at cost, less accumulated amortization. The Company provides for amortization over the term of the lease.

The annual amortization rates are as follows:

	Method	Rate
Computer equipment	declining balance	20 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	15 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	10 % per annum
Booths	declining balance	20 % per annum

f) **GOODWILL**

The company accounts for its investments in goodwill using the cost method. At the end of each reporting period, the company determines whether there are indications that an investment may be impaired. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income.

If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The adjusted carrying amount of the investment may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

g) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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h) **FINANCIAL INSTRUMENTS**

***Initial and subsequent measurement***

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

***Transaction costs***

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

***Impairment***

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

3. **ACCOUNTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
	\$	\$
Trade receivables	287	181,252
Federal government assistance	-	47,003
Other	-	2,193
	<u>287</u>	<u>230,448</u>

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$227,337.

	2022	2021
	\$	\$
Materials and paint	-	18,973
Work in process	-	49,407
	<u>-</u>	<u>68,380</u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	2022	2021
	\$	\$
Stathko Investments Ltd.	401,673	398,439
Sunridge Collision Ltd.	661,690	717,189
East Lake Collision Ltd.	69,279	66,778
Arrow Auto Body Ltd.	206,898	136,898
Royal Vista Collision Ltd.	1,669	-
Collision Kings 3 Ltd.	62,813	-
Collision Kings Group Ltd.	204,295	-
Bunzy's Auto Body Ltd.	50,000	-
2199931 Alberta Ltd.	10,000	-
	<u>1,668,317</u>	<u>1,319,304</u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	2022			2021		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Computer equipment	5,771	1,961	3,810	3,450	1,008	2,442
Equipment	183,715	141,201	42,514	199,815	143,464	56,351
Furniture and fixtures	-	-	-	604	461	143
Leasehold improvements	57,338	11,468	45,870	36,889	36,889	-
Signs	-	-	-	9,625	5,137	4,488
Booths	145,000	123,469	21,531	145,000	116,112	28,888
	<u>391,824</u>	<u>278,099</u>	<u>113,725</u>	<u>395,383</u>	<u>303,071</u>	<u>92,312</u>

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**7. ASSETS UNDER CAPITAL LEASE**

	2022		2021	
	Accumulated Cost Amortization	Balance	Accumulated Cost Amortization	Balance
	\$	\$	\$	\$
Equipment under capital lease	116,549	7,770	108,779	-

**8. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	2022	2021
	\$	\$
Excess of undepreciated capital cost over net book value	6,135	5,580
Non-capital loss carryforward	44,400	-
	<u>50,535</u>	<u>5,580</u>

**9. ADVANCES FROM AFFILIATED COMPANIES**

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	2022	2021
	\$	\$
Royal Vista Collision Ltd.	-	39,331
CMD Glass Ltd.	5,327	5,275
Collision Kings 3 Ltd.	-	17,187
Collision Kings Group Ltd.	-	36,314
CMD Holdings Inc.	1,225,108	1,499,580
	<u>1,230,435</u>	<u>1,597,687</u>

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**10. LONG-TERM DEBT**

	<u>2022</u>	<u>2021</u>
	\$	\$
HASCAP Term Loan, the loan is obtained at a fixed interest rate of 4% and the contractual term maturity date will be 10 years from the date of drawdown. For the first 12 months from the date of drawdown (the 'Moratorium'), the borrower is required to pay interest only payments on a monthly basis. Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of \$ 8,278.55. Maturing March 2032, secured by Guarantee of Advances in favour of Mayland Heights Collision Ltd., East Lake Collision Ltd, Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. - Limited CAD \$750,000 and Business Development Bank of Canada to the Bank.	750,000	-
Canada Emergency Business Account loan, unsecured, non interest bearing and not requiring principal repayments. \$20,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>790,000</u>	<u>40,000</u>
Less: current portion	<u>63,000</u>	<u>-</u>
	<u><u>727,000</u></u>	<u><u>40,000</u></u>

Under the terms of the loan agreement, the company is required negative covenants; no distributions are permitted within the first 12 months of the HASCAP loan unless the distribution is made between the Borrower and guarantors or between guarantors. As of July 31, 2022, the Company was not complying with these covenants.

In November 21, 2022, the company renegotiated the terms of the loans in order to comply with the covenants and the lender has been provided Unlimited Corporate Guarantee of advances from CMD Holdings Inc; Collision Kings Group Inc; 2199931 Alberta Ltd. and Collision Kings 3 Ltd.

Estimated principal repayments for the next five years are as follows:

2023	63,000
2024	71,500
2025	74,500
2026	77,500
2027	80,600



**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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**11. OBLIGATION UNDER CAPITAL LEASE**

	<u>2022</u>	<u>2021</u>
	\$	\$
National leasing for shop equipment; 60 monthly payments of \$2,230 plus applicable taxes with an interest rate of 6.2%, due March 2027. The lease is secured by the equipment.	109,860	-
	<u>109,860</u>	<u>-</u>
Less: current portion	<u>20,900</u>	<u>-</u>
	<u><u>88,960</u></u>	<u><u>-</u></u>

Estimated principal repayments for the next five years are as follows:

	\$
2023	20,900
2024	22,200
2025	23,600
2026	25,100
2027	17,600

**12. FINANCIAL INSTRUMENT - FINANCIAL RISKS**

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances (to) from affiliated companies.

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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**13. RELATED PARTY TRANSACTIONS**

The related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$48,811) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$35,107 (2021: \$32,591) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	65,509

**14. COMMITMENTS**

The Company is committed to the following annual lease payments for its premises at #1, 5940 – 30 Street SE Calgary, expiring on November 30, 2026.

2023: \$46,933  
2024: \$48,213  
2025: \$49,493  
2026: \$50,773  
2027: \$17,066

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.

**15. BUSINESS OPERATIONS**

The Company, relocated during the fiscal year; operations ceased from April 2022 and reopened October 2022.

**MAYLAND HEIGHTS COLLISION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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**16. CONTINGENCIES**

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as of July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as of July 31, 2022 \$750,000.

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements.

**17. SHARE CAPITAL**

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

**18. CASH FLOW STATEMENT**

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	230,161	(96,834)
Due from government receivables	(1,210)	-
Prepaid expenses	(23,524)	2,178
Inventory	68,380	43,359
Accounts payable and accrued liabilities	(75,965)	22,575
Due to government agencies	(3,472)	(7,727)
Accrued wages payable	(9,823)	(305)
Deposits	(427)	(53,895)
	<u>184,120</u>	<u>(90,649)</u>

## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	820	2,773
Amortization	38,176	23,177
Bad debts	6,132	2,771
Employee benefits	16,576	39,561
Equipment rental	685	-
Franchise fees	9,098	35,047
Insurance	3,983	9,832
Interest and service charges	4,666	2,694
Interest on capital leases	2,364	-
Interest on long-term debt	10,027	-
Occupancy Costs	99,252	134,191
Office	39,453	39,440
Professional fees	2,347	9,107
Salaries and benefits	43,491	134,771
Selling expenses	14,976	21,061
Supplies	13,574	26,610
Taxes & penalties	3,939	-
Telephone and internet	1,838	9,007
Warranty expense	9,103	11,169
	<u>320,500</u>	<u>501,211</u>

The accompanying notes are an integral part of these financial statements

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "20" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



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**Kaitlin Ward, Barrister & Solicitor**

**SUNRIDGE COLLISION LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Sunridge Collision Ltd.

We have reviewed the accompanying financial statements of Sunridge Collision Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of net income (loss) and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

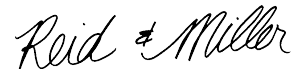
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Sunridge Collision Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.



**SUNRIDGE COLLISION LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	88,802	22,738
Accounts receivable <i>(note 3)</i>	254,847	481,318
Inventory <i>(note 4)</i>	218,688	95,068
Prepaid expenses	17,817	12,989
Advances to affiliated companies <i>(note 5)</i>	2,306,997	1,678,299
	<u>2,887,151</u>	<u>2,290,412</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 6)</i>	66,498	50,630
<b>GOODWILL</b>	65,000	65,000
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 7)</i>	20,070	-
	<u>3,038,719</u>	<u>2,406,042</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	406,681	282,520
Accrued wages payable	17,944	18,714
Due to government agencies	10,571	3,878
Income taxes and other tax payable	5,497	48,731
Deposits	203,432	156,574
Advances from affiliated companies <i>(note 8)</i>	744,882	840,286
Current portion of long-term debt <i>(note 9)</i>	63,000	-
	<u>1,452,007</u>	<u>1,350,703</u>
<b>LONG-TERM DEBT</b> <i>(note 9)</i>	727,000	40,000
	<u>2,179,007</u>	<u>1,390,703</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 14)</i>	100	100
<b>RETAINED EARNINGS</b>	859,612	1,015,239
	<u>859,712</u>	<u>1,015,339</u>
	<u>3,038,719</u>	<u>2,406,042</u>
<b>COMMITMENTS</b> <i>(note 12)</i>		
<b>CONTINGENCIES</b> <i>(note 13)</i>		

The accompanying notes are an integral part of these financial statements

**SUNRIDGE COLLISION LTD.****STATEMENT OF NET INCOME (LOSS) AND RETAINED EARNINGS**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>2,874,391</u>	<u>2,462,688</u>
<b>COST OF SALES</b>	<u>1,743,506</u>	<u>1,505,342</u>
<b>GROSS PROFIT</b>	<u>1,130,885</u>	<u>957,346</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>1,235,664</u>	<u>937,718</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(104,779)</u>	<u>19,628</u>
<b>OTHER ITEMS</b>		
Management fees, affiliated parent company	(174,477)	(185,828)
Federal government assistance	<u>57,271</u>	<u>377,246</u>
	<u>(117,206)</u>	<u>191,418</u>
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(221,985)</u>	<u>211,046</u>
<b>INCOME TAXES (RECOVERED)</b>		
Current	(46,288)	48,749
Future	<u>(20,070)</u>	<u>-</u>
	<u>(66,358)</u>	<u>48,749</u>
<b>NET INCOME (LOSS)</b>	(155,627)	162,297
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>1,015,239</u>	<u>852,942</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>859,612</u></u>	<u><u>1,015,239</u></u>

The accompanying notes are an integral part of these financial statements

**SUNRIDGE COLLISION LTD.**  
**STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(155,627)	162,297
Items not affecting cash:		
Amortization	15,543	11,527
Future income taxes recovery	(20,070)	-
	<u>(160,154)</u>	<u>173,824</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>231,731</u>	<u>(145,679)</u>
	<u>71,577</u>	<u>28,145</u>
<b>FINANCING</b>		
Advances of long - term debt	750,000	10,000
Advances to affiliated companies	(628,698)	89,044
Repayment of advances from affiliated companies	(95,404)	(5,458)
	<u>25,898</u>	<u>93,586</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	<u>(31,411)</u>	<u>(2,005)</u>
<b>INCREASE IN CASH RESOURCES</b>	66,064	119,726
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>22,738</u>	<u>(96,988)</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u><u>88,802</u></u>	<u><u>22,738</u></u>

The accompanying notes are an integral part of these financial statements

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 1. OPERATIONS

Sunridge Collision Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### a) REVENUE RECOGNITION

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### c) CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### d) INVENTORY

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	<u>Method</u>	<u>Rate</u>
Computer equipment	declining balance	20 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	20 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	10 % per annum
Booth	declining balance	20 % per annum

### f) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade receivables	247,230	384,222
Federal government assistance	-	97,096
Other	7,617	-
	<u>254,847</u>	<u>481,318</u>

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 4. INVENTORY

The amount of inventory recognized as expense in the year \$760,410.

	<u>2022</u>	<u>2021</u>
	\$	\$
Materials and paint	25,359	16,882
Work in process	<u>193,329</u>	<u>78,186</u>
	<u>218,688</u>	<u>95,068</u>

### 5. ADVANCES TO AFFILIATED COMPANIES

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
Stathko Investments Ltd.	196,552	37,729
Arrow Auto Body Ltd.	258,831	150,736
Royal Vista Collision Ltd.	488,002	389,549
Collision Kings 3 Ltd.	10,643	-
Collision Kings Group Ltd.	158,729	-
CMD Holdings Inc.	1,174,240	1,100,285
2199931 Alberta Ltd.	20,000	-
	<u>2,306,997</u>	<u>1,678,299</u>

### 6. PROPERTY, PLANT AND EQUIPMENT

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Computer equipment	36,043	34,799	1,244	36,043	34,266	1,777
Equipment	497,441	445,178	52,263	466,030	432,113	33,917
Furniture and fixtures	20,414	19,018	1,396	20,414	18,668	1,746
Leasehold improvements	157,698	157,698	-	157,698	157,698	-
Signs	32,490	23,108	9,382	32,490	22,066	10,424
Booth	52,959	50,746	2,213	52,959	50,193	2,766
	<u>797,045</u>	<u>730,547</u>	<u>66,498</u>	<u>765,634</u>	<u>715,004</u>	<u>50,630</u>

**SUNRIDGE COLLISION LTD.****NOTES TO THE FINANCIAL STATEMENTS**July 31, 2022

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**7. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	3,570	-
Non-capital loss carryforward	<u>16,500</u>	<u>-</u>
	<u>20,070</u>	<u>-</u>

**8. ADVANCES FROM AFFILIATED COMPANIES**

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
East Lake Collision Ltd.	15,249	58,971
CMD Glass Ltd.	67,943	16,295
Collision Kinga 3 Ltd.	-	9,357
Mayland Heights Collision Ltd.	661,690	717,189
Collision Kings Group Ltd.	<u>-</u>	<u>38,474</u>
	<u>744,882</u>	<u>840,286</u>



# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

### 9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
	\$	\$
HASCAP Term Loan, the loan is obtained at a fixed interest rate of 4% and the contractual term maturity date will be 10 years from the date of drawdown. For the first 12 months from the date of drawdown (the 'Moratorium'), the borrower is required to pay interest only payments on a monthly basis. Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of \$ 8,278.55. Maturing March 2032, secured by Guarantee of Advances in favour of Mayland Heights Collision Ltd., East Lake Collision Ltd, Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. - Limited CAD \$750,000 and Business Development Bank of Canada to the Bank.	750,000	-
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$10,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>790,000</u>	<u>40,000</u>
Less: current portion	<u>63,000</u>	<u>-</u>
	<u>727,000</u>	<u>40,000</u>

Under the terms of the loan agreement, the company is required negative covenants; no distributions are permitted within the first 12 months of the HASCAP loan unless the distribution is made between the Borrower and guarantors or between guarantors. As of July 31, 2022, the Company was not complying with these covenants.

In November 21, 2022, the company renegotiated the terms of the loans in order to comply with the covenants and the lender has been provided Unlimited Corporate Guarantee of advances from CMD Holdings Inc; Collision Kings Group Inc; 2199931 Alberta Ltd. and Collision Kings 3 Ltd.

Estimated principal repayments for the next five years are as follows:

2023	63,000
2024	71,500
2025	74,500
2026	77,500
2027	80,600

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

### 11. RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions:

The Company paid \$ Nil (2021:\$109,083) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$174,477 (2021: \$76,745) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	18,952

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 2601-29 Street NE., Calgary. The lease agreement is for a five year term expiring April 30, 2027.

2023: \$215,268  
2024: \$215,268  
2025: \$215,268  
2026: \$223,389

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.

# SUNRIDGE COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements.

### 14. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

### 15. CASH FLOW STATEMENT

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	226,471	(272,174)
Prepaid expenses	(4,828)	212
Inventory	(123,620)	102,812
Accounts payable and accrued liabilities	124,161	121,447
Due to government agencies	6,693	(1,588)
Income taxes payable (recoverable)	(43,234)	41,160
Accrued wages payable	(770)	2,524
Deposits	46,858	(140,072)
	<u>231,731</u>	<u>(145,679)</u>

## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	2,340	3,538
Amortization	15,543	11,527
Bad debts	22,742	6,090
Employee benefits	66,261	71,260
Franchise fees	81,630	91,730
Insurance	9,098	5,944
Interest and service charges	10,333	5,086
Interest on long-term debt	10,027	-
Occupancy costs	360,769	274,955
Office	35,536	38,793
Professional fees	7,020	11,634
Salaries	379,149	292,009
Selling expenses	102,386	61,968
Supplies	74,483	34,663
Taxes & penalties	3,172	60
Telephone and internet	7,265	11,630
Warranty expense	47,910	16,831
	<u>1,235,664</u>	<u>937,718</u>

The accompanying notes are an integral part of these financial statements

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "21" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



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**Kaitlin Ward, Barrister & Solicitor**

**ARROW AUTO BODY LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Arrow Auto Body Ltd.

We have reviewed the accompanying financial statements of Arrow Auto Body Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of loss and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Arrow Auto Body Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.



**ARROW AUTO BODY LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	9,556	71,275
Accounts receivable <i>(note 3)</i>	245,161	444,312
Inventory <i>(note 4)</i>	82,386	172,871
Prepaid expenses	30,333	27,136
Advances to affiliated companies <i>(note 5)</i>	1,865,787	1,419,033
	<u>2,233,223</u>	<u>2,134,627</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 6)</i>	217,460	272,092
<b>GOODWILL</b>	332,320	332,320
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 7)</i>	194,400	92,600
	<u>2,977,403</u>	<u>2,831,639</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	57,852	10,068
Accounts payable and accrued liabilities	250,901	250,660
Accrued wages payable	14,445	17,489
Due to government agencies	8,102	2,922
Deposits	103,559	168,055
Advances from affiliated companies <i>(note 8)</i>	2,249,727	1,951,081
Current portion of long-term debt <i>(note 9)</i>	40,000	-
	<u>2,724,586</u>	<u>2,400,275</u>
<b>LONG-TERM DEBT</b> <i>(note 9)</i>	-	40,000
	<u>2,724,586</u>	<u>2,440,275</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 14)</i>	2	2
<b>RETAINED EARNINGS</b>	252,815	391,362
	<u>252,817</u>	<u>391,364</u>
	<u>2,977,403</u>	<u>2,831,639</u>
<b>COMMITMENTS</b> <i>(note 12)</i>		
<b>CONTINGENCIES</b> <i>(note 13)</i>		

The accompanying notes are an integral part of these financial statements

**ARROW AUTO BODY LTD.****STATEMENT OF LOSS AND RETAINED EARNINGS**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>2,557,073</u>	<u>2,205,607</u>
<b>COST OF SALES</b>	<u>1,464,130</u>	<u>1,386,722</u>
<b>GROSS PROFIT</b>	<u>1,092,943</u>	<u>818,885</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>1,203,167</u>	<u>1,000,920</u>
<b>OPERATING LOSS</b>	<u>(110,224)</u>	<u>(182,035)</u>
<b>OTHER ITEMS</b>		
Management fees, affiliated parent company	(150,534)	(155,973)
Federal government assistance	<u>20,411</u>	<u>239,259</u>
	<u>(130,123)</u>	<u>83,286</u>
<b>LOSS BEFORE INCOME TAXES</b>	<u>(240,347)</u>	<u>(98,749)</u>
<b>INCOME TAXES (RECOVERED)</b>		
Future	<u>(101,800)</u>	<u>(92,600)</u>
<b>LOSS</b>	(138,547)	(6,149)
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>391,362</u>	<u>397,511</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>252,815</u></u>	<u><u>391,362</u></u>

The accompanying notes are an integral part of these financial statements

**ARROW AUTO BODY LTD.**  
**STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Loss for the year	(138,547)	(6,149)
Items not affecting cash:		
Amortization	54,632	68,781
Future income taxes recovery	(101,800)	(92,600)
	<u>(185,715)</u>	<u>(29,968)</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>224,320</u>	<u>(224,004)</u>
	<u>38,605</u>	<u>(253,972)</u>
<b>FINANCING</b>		
Advances of long - term debt	-	10,000
Advances to affiliated companies	(446,754)	52,935
Repayment of advances from affiliated companies	298,646	262,629
	<u>(148,108)</u>	<u>325,564</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	-	(4,234)
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(109,503)	67,358
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>61,207</u>	<u>(6,151)</u>
<b>CASH RESOURCES (DEFICIENCY), END OF YEAR</b>	<u>(48,296)</u>	<u>61,207</u>
<b>CASH RESOURCES (DEFICIENCY) IS REPRESENTED BY:</b>		
Cash	9,556	71,275
Bank indebtedness	(57,852)	(10,068)
	<u>(48,296)</u>	<u>61,207</u>

The accompanying notes are an integral part of these financial statements

# **ARROW AUTO BODY LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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### **1. OPERATIONS**

Arrow Auto Body Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### **a) REVENUE RECOGNITION**

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### **b) MEASUREMENT UNCERTAINTY**

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### **c) CASH AND CASH EQUIVALENTS**

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### **d) INVENTORY**

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

# ARROW AUTO BODY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	<u>Method</u>	<u>Rate</u>
Automotive	declining balance	30 % per annum
Computer equipment	declining balance	30 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	20 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	20 % per annum

### f) **GOODWILL**

The company accounts for its investments in goodwill using the cost method. At the end of each reporting period, the company determines whether there are indications that an investment may be impaired. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income.

If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The adjusted carrying amount of the investment may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### g) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# ARROW AUTO BODY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### h) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade receivables	244,595	398,053
Federal government assistance	-	43,912
Other	566	2,347
	<u>245,161</u>	<u>444,312</u>

**ARROW AUTO BODY LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$871,191.

	<u>2022</u>	<u>2021</u>
	\$	\$
Parts and supplies	16,168	17,419
Work in process	<u>66,218</u>	<u>155,452</u>
	<u>82,386</u>	<u>172,871</u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
Stathko Investments Ltd.	1,180,158	1,086,496
East Lake Collision Ltd.	648,465	302,324
Royal Vista Collision Ltd.	-	7,003
CMD Glass Ltd.	-	23,210
Collision Kings 3 Ltd.	17,164	-
2199931 Alberta Ltd.	<u>20,000</u>	<u>-</u>
	<u>1,865,787</u>	<u>1,419,033</u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Automotive	5,945	5,823	122	5,945	5,771	174
Computer equipment	86,060	84,677	1,383	86,060	84,085	1,975
Equipment	1,110,672	903,541	207,131	1,110,672	851,758	258,914
Furniture and fixtures	97,293	96,982	311	97,293	96,905	388
Leasehold improvements	57,038	57,038	-	57,038	57,038	-
Signs	<u>25,133</u>	<u>16,620</u>	<u>8,513</u>	<u>25,133</u>	<u>14,492</u>	<u>10,641</u>
	<u>1,382,141</u>	<u>1,164,681</u>	<u>217,460</u>	<u>1,382,141</u>	<u>1,110,049</u>	<u>272,092</u>

**7. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	83,400	23,600
Non-capital loss carryforward	<u>111,000</u>	<u>69,000</u>
	<u>194,400</u>	<u>92,600</u>

**ARROW AUTO BODY LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**8. ADVANCES FROM AFFILIATED COMPANIES**

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
Sunridge Collision Ltd.	258,831	150,736
Royal Vista Collision Ltd.	20,993	-
CMD Glass Ltd.	11,461	-
Collision Kings 3 Ltd.	-	2,195
Mayland Heights Collision Ltd.	206,898	136,898
Collision Kings Group Ltd.	224,567	84,463
CMD Holdings Inc.	<u>1,526,977</u>	<u>1,576,789</u>
	<u>2,249,727</u>	<u>1,951,081</u>

**9. LONG-TERM DEBT**

Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$10,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.

	<u>2022</u>	<u>2021</u>
	\$	\$
	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Less: current portion	<u>40,000</u>	<u>-</u>
	<u>-</u>	<u>40,000</u>

Estimated principal repayments for the next year is as follows:

2023	40,000
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# ARROW AUTO BODY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

### 11. RELATED PARTY TRANSACTIONS

The related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$80,776) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$150,534 (2021: \$75,197) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	47,587

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 3633 Manchester Road SE, Calgary. The lease agreement is expiring on February 28, 2026.

2023: \$288,019

2024: \$288,019

2025: \$288,019

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.

# ARROW AUTO BODY LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements

### 14. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 2 Class A common shares; voting	<u>2</u>	<u>2</u>

### 15. CASH FLOW STATEMENT

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	199,151	(337,862)
Prepaid expenses	(3,197)	(2,349)
Inventory	90,485	(76,093)
Accounts payable and accrued liabilities	241	163,223
Due to government agencies	5,180	2,922
Accrued wages payable	(3,044)	4,365
Deposits	(64,496)	21,790
	<u>224,320</u>	<u>(224,004)</u>

## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	1,949	2,993
Amortization	54,632	68,781
Bad debts	19,988	6,071
Employee benefits	51,748	63,199
Franchise fees	73,223	75,083
Insurance	15,006	12,719
Interest and service charges	8,088	5,876
Occupancy Costs	432,853	353,308
Office	36,187	42,168
Professional fees	11,282	9,223
Salaries	299,196	255,792
Selling expenses	80,087	47,952
Supplies	60,230	37,344
Telephone and internet	1,610	9,933
Warranty expense	57,088	10,478
	<u>1,203,167</u>	<u>1,000,920</u>

The accompanying notes are an integral part of these financial statements

R | M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "22" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**ROYAL VISTA COLLISION LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Royal Vista Collision Ltd.

We have reviewed the accompanying financial statements of Royal Vista Collision Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of loss and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Royal Vista Collision Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Winnipeg, Manitoba  
March 20, 2023

Chartered Professional Accountants Inc.

**ROYAL VISTA COLLISION LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	131,812	40,109
Accounts receivable <i>(note 3)</i>	326,255	411,645
Due from government receivables	104,473	104,464
Inventory <i>(note 4)</i>	125,777	98,773
Prepaid expenses	52,647	46,879
Advances to affiliated companies <i>(note 5)</i>	79,171	42,509
	<u>820,135</u>	<u>744,379</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b> <i>(note 6)</i>	387,038	479,414
<b>FUTURE INCOME TAXES RECEIVABLE</b> <i>(note 7)</i>	<u>98,203</u>	<u>35,400</u>
	<u>1,305,376</u>	<u>1,259,193</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	-	38,302
Accounts payable and accrued liabilities	267,930	244,928
Accrued wages payable	11,394	19,732
Due to government agencies	16,314	769
Deposits	23,555	51,822
Advances from affiliated companies <i>(note 8)</i>	1,475,658	1,018,703
Current portion of long-term debt <i>(note 9)</i>	40,000	-
	<u>1,834,851</u>	<u>1,374,256</u>
<b>LONG-TERM DEBT</b> <i>(note 9)</i>	<u>-</u>	<u>40,000</u>
	<u>1,834,851</u>	<u>1,414,256</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> <i>(note 14)</i>	100	100
<b>DEFICIT</b>	<u>(529,575)</u>	<u>(155,163)</u>
	<u>(529,475)</u>	<u>(155,063)</u>
	<u>1,305,376</u>	<u>1,259,193</u>
<b>COMMITMENTS</b> <i>(note 12)</i>		
<b>CONTINGENCIES</b> <i>(note 13)</i>		

The accompanying notes are an integral part of these financial statements



**ROYAL VISTA COLLISION LTD.**  
**STATEMENT OF LOSS AND DEFICIT**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>2,464,525</u>	<u>2,298,972</u>
<b>COST OF SALES</b>	<u>1,532,710</u>	<u>1,383,610</u>
<b>GROSS PROFIT</b>	<u>931,815</u>	<u>915,362</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>1,244,832</u>	<u>1,057,170</u>
<b>OPERATING LOSS</b>	<u>(313,017)</u>	<u>(141,808)</u>
<b>OTHER ITEMS</b>		
Management fees, affiliated parent company	(150,925)	(168,720)
Federal government assistance	<u>26,727</u>	<u>119,347</u>
	<u>(124,198)</u>	<u>(49,373)</u>
<b>LOSS BEFORE INCOME TAXES</b>	<u>(437,215)</u>	<u>(191,181)</u>
<b>INCOME TAXES (RECOVERED)</b>		
Future	<u>(62,803)</u>	<u>(35,400)</u>
<b>LOSS</b>	(374,412)	(155,781)
<b>RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR</b>	<u>(155,163)</u>	<u>618</u>
<b>DEFICIT, END OF YEAR</b>	<u><u>(529,575)</u></u>	<u><u>(155,163)</u></u>

The accompanying notes are an integral part of these financial statements

**ROYAL VISTA COLLISION LTD.****STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Loss for the year	(374,412)	(155,781)
Items not affecting cash:		
Amortization	95,230	118,153
Future income taxes recovery	(62,803)	(35,400)
	<u>(341,985)</u>	<u>(73,028)</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>54,551</u>	<u>51,728</u>
	<u>(287,434)</u>	<u>(21,300)</u>
<b>FINANCING</b>		
Repayment of long-term debt	-	(5,560,670)
Advances to affiliated companies	(36,662)	5,384,205
Repayment of advances from affiliated companies	456,955	276,510
	<u>420,293</u>	<u>100,045</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	<u>(2,854)</u>	<u>(4,762)</u>
<b>INCREASE IN CASH RESOURCES</b>	130,005	73,983
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>1,807</u>	<u>(72,176)</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u>131,812</u>	<u>1,807</u>
<b>CASH RESOURCES IS REPRESENTED BY:</b>		
Cash	131,812	40,109
Bank indebtedness	<u>-</u>	<u>(38,302)</u>
	<u>131,812</u>	<u>1,807</u>

The accompanying notes are an integral part of these financial statements

# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 1. OPERATIONS

Royal Vista Collision Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### a) REVENUE RECOGNITION

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### b) MEASUREMENT UNCERTAINTY

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### c) CASH AND CASH EQUIVALENTS

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### d) INVENTORY

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	<u>Method</u>	<u>Rate</u>
Computer equipment	declining balance	20 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	20 % per annum
Signs	declining balance	10 % per annum
Booth	declining balance	20 % per annum

### f) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade receivables	326,255	390,288
Federal government assistance	-	22,357
	<u>326,255</u>	<u>412,645</u>
Allowance for doubtful accounts	-	(1,000)
	<u><u>326,255</u></u>	<u><u>411,645</u></u>

**ROYAL VISTA COLLISION LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$827,417.

	<u>2022</u>	<u>2021</u>
	\$	\$
Parts and supplies	20,357	16,365
Work in process	<u>105,420</u>	<u>82,408</u>
	<u><u>125,777</u></u>	<u><u>98,773</u></u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
Arrow Auto Body Ltd.	20,993	-
Mayland Heights Collision Ltd.	-	39,331
Nick's Repair Service Ltd.	45,000	-
2199931 Alberta Ltd.	<u>13,178</u>	<u>3,178</u>
	<u><u>79,171</u></u>	<u><u>42,509</u></u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Computer equipment	14,936	10,252	4,684	14,936	9,081	5,855
Equipment	340,921	198,916	142,005	338,066	163,414	174,652
Furniture and fixtures	11,103	6,555	4,548	11,103	5,418	5,685
Signs	19,150	8,137	11,013	19,150	6,913	12,237
Booth	<u>548,799</u>	<u>324,011</u>	<u>224,788</u>	<u>548,799</u>	<u>267,814</u>	<u>280,985</u>
	<u><u>934,909</u></u>	<u><u>547,871</u></u>	<u><u>387,038</u></u>	<u><u>932,054</u></u>	<u><u>452,640</u></u>	<u><u>479,414</u></u>

**7. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	48,068	26,265
Non-capital loss carryforward	<u>50,135</u>	<u>9,135</u>
	<u><u>98,203</u></u>	<u><u>35,400</u></u>

# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 8. ADVANCES FROM AFFILIATED COMPANIES

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
Stathko Investments Ltd.	267,066	246,281
Sunridge Collision Ltd.	488,002	389,549
East Lake Collision Ltd.	175,432	197,752
Arrow Auto Body Ltd.	-	7,003
CMD Glass Ltd.	26,757	5,358
Collision Kings 3 Ltd.	27,848	7,848
Mayland Heights Collision Ltd.	1,669	-
Collision Kings Group	339,896	47,314
CMD Holdings Inc.	148,988	117,598
	<u>1,475,658</u>	<u>1,018,703</u>

### 9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
	\$	\$
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$10,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2024. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Less: current portion	<u>40,000</u>	<u>-</u>
	<u>-</u>	<u>40,000</u>

Estimated principal repayments for the next year is as follows:

2023	40,000
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# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

### 11. RELATED PARTY TRANSACTIONS

The related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$85,677) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$150,925 (2021: \$83,043) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	9,189

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 35 Royal Vista Road, Calgary, expiring on February 28, 2029.

2023: \$252,000  
2024: \$252,000  
2025: \$252,000  
2026: \$252,000  
2027: \$252,000

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.



# ROYAL VISTA COLLISION LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements

### 14. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

### 15. CASH FLOW STATEMENT

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	85,390	13,037
Due from government receivables	(9)	(9,511)
Prepaid expenses	(5,768)	(43,483)
Inventory	(27,004)	(24,229)
Accounts payable and accrued liabilities	23,002	133,152
Due to government agencies	15,545	769
Accrued wages payable	(8,338)	2,636
Deposits	(28,267)	(20,643)
	<u>54,551</u>	<u>51,728</u>

## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	963	10,037
Amortization	95,230	118,153
Bad debts	395	8,736
Employee benefits	61,033	52,486
Franchise fees	68,966	85,347
Insurance	4,342	5,959
Interest and service charges	8,506	3,207
Occupancy Costs	416,716	351,494
Office	36,528	46,064
Professional fees	10,416	10,703
Salaries	324,407	235,268
Selling expenses	92,010	73,824
Supplies	63,603	29,428
Telephone and internet	2,134	3,537
Warranty expense	59,583	22,927
	<u>1,244,832</u>	<u>1,057,170</u>

The accompanying notes are an integral part of these financial statements

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "23" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**CMD GLASS LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Cmd Glass Ltd.

We have reviewed the accompanying financial statements of CMD Glass Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of net income (loss) and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of CMD Glass Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.

**CMD GLASS LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	26,357	46,318
Accounts receivable <i>(note 3)</i>	12,213	8,955
Inventory <i>(note 4)</i>	1,951	9,024
Prepaid expenses	16,800	13,416
Advances to affiliated companies <i>(note 5)</i>	139,761	60,915
	<u>197,082</u>	<u>138,628</u>
<b>PROPERTY, PLANT AND EQUIPMENT <i>(note 6)</i></b>	17,847	13,106
<b>FUTURE INCOME TAXES RECEIVABLE <i>(note 7)</i></b>	<u>60,500</u>	<u>46,000</u>
	<u>275,429</u>	<u>197,734</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	103,558	60,215
Accrued wages payable	6,845	657
Due to government agencies	7,160	1,595
Income taxes payable	66	-
Deposits	-	7,583
Advances from affiliated companies <i>(note 8)</i>	327,760	242,559
Current portion of long-term debt <i>(note 9)</i>	40,000	-
	<u>485,389</u>	<u>312,609</u>
<b>LONG-TERM DEBT <i>(note 9)</i></b>	<u>-</u>	<u>40,000</u>
	<u>485,389</u>	<u>352,609</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL <i>(note 14)</i></b>	100	100
<b>DEFICIT</b>	<u>(210,060)</u>	<u>(154,975)</u>
	<u>(209,960)</u>	<u>(154,875)</u>
	<u>275,429</u>	<u>197,734</u>
<b>COMMITMENTS <i>(note 12)</i></b>		
<b>CONTINGENCIES <i>(note 13)</i></b>		

The accompanying notes are an integral part of these financial statements

**CMD GLASS LTD.****STATEMENT OF NET INCOME (LOSS) AND DEFICIT**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>1,178,073</u>	<u>856,312</u>
<b>COST OF SALES</b>	<u>701,541</u>	<u>471,888</u>
<b>GROSS PROFIT</b>	<u>476,532</u>	<u>384,424</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>475,308</u>	<u>358,877</u>
<b>OPERATING INCOME</b>	<u>1,224</u>	<u>25,547</u>
<b>OTHER ITEMS</b>		
Management fees, affiliated parent company	(70,743)	(41,822)
Federal government assistance	-	34,629
	<u>(70,743)</u>	<u>(7,193)</u>
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(69,519)</u>	<u>18,354</u>
<b>INCOME TAXES (RECOVERED)</b>		
Current	66	(874)
Future	(14,500)	(46,000)
	<u>(14,434)</u>	<u>(46,874)</u>
<b>NET INCOME (LOSS)</b>	(55,085)	65,228
<b>DEFICIT, BEGINNING OF YEAR</b>	<u>(154,975)</u>	<u>(220,203)</u>
<b>DEFICIT, END OF YEAR</b>	<u>(210,060)</u>	<u>(154,975)</u>

The accompanying notes are an integral part of these financial statements



**CMD GLASS LTD.****STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(55,085)	65,228
Items not affecting cash:		
Amortization	3,313	2,750
Future income taxes recovery	(14,500)	(46,000)
	<u>(66,272)</u>	<u>21,978</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>48,010</u>	<u>14,217</u>
	<u>(18,262)</u>	<u>36,195</u>
<b>FINANCING</b>		
Advances of long - term debt	-	10,000
Advances to affiliated companies	(9,251)	-
Repayment of advances from affiliated companies	15,606	(6,802)
	<u>6,355</u>	<u>3,198</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	<u>(8,054)</u>	<u>(1,691)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(19,961)	37,702
<b>CASH RESOURCES, BEGINNING OF YEAR</b>	<u>46,318</u>	<u>8,616</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u><u>26,357</u></u>	<u><u>46,318</u></u>

The accompanying notes are an integral part of these financial statements

# **CMD GLASS LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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### **1. OPERATIONS**

CMD Glass Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### **a) REVENUE RECOGNITION**

Revenue is recognized on a contract completion basis; when the amount is known and collection is reasonably assured. Amounts received in advance of services being performed are recorded as deposits.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### **b) MEASUREMENT UNCERTAINTY**

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### **c) CASH AND CASH EQUIVALENTS**

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### **d) INVENTORY**

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

# CMD GLASS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	<u>Method</u>	<u>Rate</u>
Computer equipment	declining balance	30 % per annum
Equipment	declining balance	20 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	10 % per annum

### f) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# CMD GLASS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade receivables	7,750	2,762
Federal government assistance	-	6,193
Other receivables	4,463	-
	<u>12,213</u>	<u>8,955</u>

**CMD GLASS LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$386,765.

	<u>2022</u>	<u>2021</u>
	\$	\$
Parts and materials	<u>1,951</u>	<u>9,024</u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
Sunridge Collision Ltd.	67,943	36,659
East Lake Collision Ltd.	28,273	6,880
Arrow Auto Body Ltd.	11,461	-
Royal Vista Collision Ltd.	26,757	5,358
Collision Kings 3 Ltd.	-	6,743
Mayland Heights Collision Ltd.	5,327	5,275
	<u>139,761</u>	<u>60,915</u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Computer equipment	7,040	5,334	1,706	5,335	4,603	732
Equipment	21,509	15,828	5,681	20,676	14,408	6,268
Leasehold improvements	33,976	33,976	-	33,976	33,976	-
Signs	18,236	7,776	10,460	12,720	6,614	6,106
	<u>80,761</u>	<u>62,914</u>	<u>17,847</u>	<u>72,707</u>	<u>59,601</u>	<u>13,106</u>

**7. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	(500)	(500)
Non-capital loss carryforward	61,000	46,500
	<u>60,500</u>	<u>46,000</u>

# CMD GLASS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 8. ADVANCES FROM AFFILIATED COMPANIES

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
Stathko Investments Ltd.	55,292	58,126
Arrow Auto Body Ltd.	-	23,210
Collision Kings 3 Ltd.	5,931	-
Collision Kings Group Ltd.	127,974	58,379
CMD Holdings Inc.	138,563	102,844
	<u>327,760</u>	<u>242,559</u>

### 9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
	\$	\$
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$10,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Less: current portion	<u>40,000</u>	<u>-</u>
	<u>-</u>	<u>40,000</u>

Estimated principal repayments for the next year is as follows:

2023	40,000
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### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

# CMD GLASS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 11. RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$7,791) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$70,743 (2021: \$34,030) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
Arrow Auto Body Ltd, sales	47,587
East Lake Collision Ltd, sales	10,094
Mayland Heights Collision Ltd., sales	65,509
Stathko Investments Ltd., sales	4,389
Royal Vista Collision Ltd., sales	9,189
Sunridge Collision Ltd., sales	18,592

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 1803-11 Street SE & 1048-19 Avenue SE,, Calgary. The lease agreement is for a ten year term expiring February 28, 2029.

2023: \$78,531

2024: \$79,673

2025: \$81,385

2026: \$82,930

2027: \$83,418

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.

# CMD GLASS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements

### 14. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

### 15. CASH FLOW STATEMENT

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	(3,258)	(874)
Prepaid expenses	(3,384)	(8,592)
Inventory	7,073	-
Accounts payable and accrued liabilities	43,343	31,028
Due to government agencies	5,565	(2,755)
Income taxes payable	66	-
Accrued wages payable	6,188	(6,265)
Deposits	(7,583)	1,675
	<u>48,010</u>	<u>14,217</u>



## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	1,098	1,066
Amortization	3,313	2,750
Employee benefits	42,344	39,244
Insurance	1,911	5,816
Interest and service charges	15,852	9,782
Occupancy costs	166,611	108,242
Office	48,461	30,167
Professional services	5,358	8,099
Salaries	147,241	125,413
Supplies	33,974	18,266
Telephone and internet	5,900	4,378
Warranty expense	3,245	5,654
	<u>475,308</u>	<u>358,877</u>

The accompanying notes are an integral part of these financial statements

R | M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "24" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**STATHKO INVESTMENTS LTD.**

**WINNIPEG, MB**

**JULY 31, 2022**



## Independent Practitioner's Review Engagement Report

To the Shareholders of:  
Stathko Investments Ltd.

We have reviewed the accompanying financial statements of Stathko Investments Ltd. that comprise the balance sheet as at July 31, 2022, and the statements of net income (loss) and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Stathko Investments Ltd. as at July 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Winnipeg, Manitoba  
March 20, 2023



Chartered Professional Accountants Inc.

**STATHKO INVESTMENTS LTD.****BALANCE SHEET**

	July 31	July 31
	2022	2021
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	26,851	83,876
Accounts receivable <i>(note 3)</i>	288,078	342,226
Income taxes recoverable	1,780	-
Inventory <i>(note 4)</i>	78,650	44,576
Prepaid expenses	26,039	19,604
Advances to affiliated companies <i>(note 5)</i>	3,066,023	2,702,617
	<u>3,487,421</u>	<u>3,192,899</u>
<b>PROPERTY, PLANT AND EQUIPMENT <i>(note 6)</i></b>	57,706	60,502
<b>FUTURE INCOME TAXES RECEIVABLE <i>(note 7)</i></b>	<u>3,800</u>	<u>-</u>
	<u>3,548,927</u>	<u>3,253,401</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	8,251	-
Accounts payable and accrued liabilities	395,354	221,621
Accrued wages payable	14,973	16,598
Due to government agencies	19,995	4,909
Income and other taxes payable	17,743	53,313
Deposit	150,656	131,166
Advances from affiliated companies <i>(note 8)</i>	1,800,084	1,584,960
Current portion of long-term debt <i>(note 9)</i>	40,000	-
	<u>2,447,056</u>	<u>2,012,567</u>
<b>LONG-TERM DEBT <i>(note 9)</i></b>	<u>-</u>	<u>40,000</u>
	<u>2,447,056</u>	<u>2,052,567</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL <i>(note 14)</i></b>	100	100
<b>RETAINED EARNINGS</b>	<u>1,101,771</u>	<u>1,200,734</u>
	<u>1,101,871</u>	<u>1,200,834</u>
	<u>3,548,927</u>	<u>3,253,401</u>
<b>COMMITMENTS <i>(note 12)</i></b>		
<b>CONTINGENCIES <i>(note 13)</i></b>		

The accompanying notes are an integral part of these financial statements

**STATHKO INVESTMENTS LTD.****STATEMENT OF NET INCOME (LOSS) AND RETAINED EARNINGS**

	2022	2021
	\$	\$
<b>REVENUE</b>	<u>2,786,448</u>	<u>2,364,816</u>
<b>COST OF SALES</b>	<u>1,703,353</u>	<u>1,368,966</u>
<b>GROSS PROFIT</b>	<u>1,083,095</u>	<u>995,850</u>
<b>EXPENSES</b> <i>(schedule 1)</i>	<u>1,024,519</u>	<u>835,788</u>
<b>OPERATING INCOME</b>	<u>58,576</u>	<u>160,062</u>
<b>OTHER ITEMS</b>		
Management fees, affiliated parent company	(178,862)	(189,574)
Federal government assistance	<u>15,617</u>	<u>280,553</u>
	<u>(163,245)</u>	<u>90,979</u>
<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	<u>(104,669)</u>	<u>251,041</u>
<b>INCOME TAXES (RECOVERED)</b>		
Current	(1,906)	53,313
Future	<u>(3,800)</u>	<u>-</u>
	<u>(5,706)</u>	<u>53,313</u>
<b>NET INCOME (LOSS)</b>	(98,963)	197,728
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>1,200,734</u>	<u>1,003,006</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u><u>1,101,771</u></u>	<u><u>1,200,734</u></u>

The accompanying notes are an integral part of these financial statements

**STATHKO INVESTMENTS LTD.****STATEMENT OF CASH FLOWS**

	2022	2021
	\$	\$
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Net income (loss) for the year	(98,963)	197,728
Items not affecting cash:		
Amortization	14,941	14,304
Future income taxes recovery	(3,800)	-
	<u>(87,822)</u>	<u>212,032</u>
Net changes in non-cash working capital affecting operations: <i>(note 15)</i>	<u>182,973</u>	<u>36,036</u>
	<u>95,151</u>	<u>248,068</u>
<b>FINANCING</b>		
Advances of long - term debt	-	10,000
Advances to affiliated companies	(363,406)	(178,098)
Repayment of advances from affiliated companies	215,124	52,133
	<u>(148,282)</u>	<u>(115,965)</u>
<b>INVESTING</b>		
Purchase of property, plant and equipment	<u>(12,145)</u>	<u>(7,504)</u>
<b>INCREASE (DECREASE) IN CASH RESOURCES</b>	(65,276)	124,599
<b>CASH RESOURCES (DEFICIENCY), BEGINNING OF YEAR</b>	<u>83,876</u>	<u>(40,723)</u>
<b>CASH RESOURCES, END OF YEAR</b>	<u>18,600</u>	<u>83,876</u>
<b>CASH RESOURCES IS REPRESENTED BY:</b>		
Cash	26,851	83,876
Bank indebtedness	<u>(8,251)</u>	<u>-</u>
	<u>18,600</u>	<u>83,876</u>

The accompanying notes are an integral part of these financial statements



# **STATHKO INVESTMENTS LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

---

### **1. OPERATIONS**

Stathko Investments Ltd. (the "company") was incorporated under the law of the Province of Alberta and is engaged in the business of automotive body shop and retail sales. The company is classified as a private corporation under the Income Tax Act.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Outlined below are those policies considered particularly significant for the company.

#### **a) REVENUE RECOGNITION**

Revenue is recognized on a contract completion basis; when ownership is transferred to the customer.

Federal government assistance is recognized in the period in which it is determinable and collection is reasonably assured.

#### **b) MEASUREMENT UNCERTAINTY**

When preparing financial statements according to Canadian accounting standards for private enterprises, the company makes estimates and assumptions relating to reported amounts of revenue and expenses, reported amounts of assets and liabilities and disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the company may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### **c) CASH AND CASH EQUIVALENTS**

Cash equivalents are comprised of highly liquid investments with maturities of three months or less from the date of acquisition.

#### **d) INVENTORY**

Inventory parts and supplies are valued at the lower of cost and replacement cost. Cost is determined using the weighted average method.

Work in progress is valued at the lower of cost and net realizable value and includes both materials and labour. Cost is determined using the weighted average method.

# STATHKO INVESTMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### e) **PROPERTY, PLANT AND EQUIPMENT**

Property and equipment is recorded at cost, less accumulated amortization. The Company provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the property and equipment over its estimated useful life. The annual amortization rates are as follows:

	<u>Method</u>	<u>Rate</u>
Automotive	declining balance	30 % per annum
Computer equipment	declining balance	20 % per annum
Equipment	declining balance	20 % per annum
Furniture and fixtures	declining balance	20 % per annum
Leasehold improvements	straight line	20 % per annum
Signs	declining balance	10 % per annum
Booths	declining balance	20 % per annum

### f) **INCOME TAXES**

The company applies the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the difference between the carrying amounts of existing assets and liabilities and their respective tax bases.

Any change in the net amount of future income tax assets and liabilities is recognized in income. Future income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable income for the years in which the assets and liabilities will be recovered or settled. Future income tax assets are recognized when it is more likely than not that they will be realized.

# STATHKO INVESTMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### g) FINANCIAL INSTRUMENTS

#### *Initial and subsequent measurement*

The Company initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and advances to affiliated corporations.

Financial liabilities measured at amortized cost on a straight-line basis include the bank overdraft, accounts payable, management fees payable, franchise fees payable and long-term debt.

#### *Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in income over the life of the instrument using the straight-line method.

#### *Impairment*

For financial assets measured at cost or amortized cost, the company determines whether there are indications of possible impairment. When there is an indication of impairment, and the company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### 3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Trade receivables	288,078	284,324
Federal government assistance	-	58,902
	<u>288,078</u>	<u>343,226</u>
Allowance for doubtful accounts	-	(1,000)
	<u><u>288,078</u></u>	<u><u>342,226</u></u>

**STATHKO INVESTMENTS LTD.****NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

**4. INVENTORY**

The amount of inventory recognized as expense in the year \$882,642.

	<u>2022</u>	<u>2021</u>
	\$	\$
Parts and supplies	17,475	15,347
Work in process	<u>61,175</u>	<u>29,229</u>
	<u><u>78,650</u></u>	<u><u>44,576</u></u>

**5. ADVANCES TO AFFILIATED COMPANIES**

The advances to affiliated corporations are non-interest bearing and without specific terms of repayment. All amounts are due from (to) companies related by way of common control.

	<u>2022</u>	<u>2021</u>
	\$	\$
East Lake Collision Ltd.	373,142	386,305
Royal Vista Collision Ltd.	267,066	246,281
CMD Glass Ltd.	55,292	58,392
Collision Kings 3 Ltd.	44,269	-
CMD Holdings Inc.	2,276,254	2,011,639
Nick's Repair Service Ltd.	40,000	-
2199931 Alberta Ltd.	<u>10,000</u>	<u>-</u>
	<u><u>3,066,023</u></u>	<u><u>2,702,617</u></u>

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>2022</u>			<u>2021</u>		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
	\$	\$	\$	\$	\$	\$
Automotive	23,662	16,681	6,981	14,183	13,690	493
Computer equipment	49,098	47,650	1,448	48,098	47,030	1,068
Equipment	324,167	307,315	16,852	322,502	303,103	19,399
Furniture and fixtures	14,395	13,099	1,296	14,395	12,775	1,620
Leasehold improvements	226,169	226,169	-	226,169	226,169	-
Signs	17,435	10,303	7,132	17,435	9,510	7,925
Booths	<u>197,046</u>	<u>173,049</u>	<u>23,997</u>	<u>197,046</u>	<u>167,049</u>	<u>29,997</u>
	<u><u>851,972</u></u>	<u><u>794,266</u></u>	<u><u>57,706</u></u>	<u><u>839,828</u></u>	<u><u>779,326</u></u>	<u><u>60,502</u></u>

**7. FUTURE INCOME TAXES RECEIVABLE**

These future income taxes receivable are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Excess of undepreciated capital cost over net book value	<u><u>3,800</u></u>	<u><u>-</u></u>

# STATHKO INVESTMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 8. ADVANCES FROM AFFILIATED COMPANIES

Amounts due to parent company are due to CMD Holdings Inc. and Collision Kings Group Ltd.. The other amounts are due from (to) companies related by way of common control.

The amounts are unsecured, non interest bearing and have no set terms of repayment.

	<u>2022</u>	<u>2021</u>
	\$	\$
Sunridge Collision Ltd.	196,552	37,729
Arrow Auto Body Ltd.	1,180,158	1,086,496
Collision Kings 3 Ltd.	-	1,538
Mayland Heights Collision Ltd.	401,673	398,439
Collision Kings Group Ltd.	21,701	60,758
	<u>1,800,084</u>	<u>1,584,960</u>

### 9. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
	\$	\$
Canada Emergency Business Account loan, unsecured, noninterest bearing and not requiring principal repayments. \$20,000 of this loan is forgivable if the loan is repaid by December 31, 2023. If any part of the balance is not repaid by December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Less: current portion	<u>40,000</u>	<u>-</u>
	<u>-</u>	<u>40,000</u>

Estimated principal repayments for the next year is as follows:

2023	40,000
------	--------

### 10. FINANCIAL INSTRUMENT - FINANCIAL RISKS

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

**Liquidity risk:** The company is exposed to this risk mainly in respect of its accounts payable and other amounts owing; including advances from (to) affiliated companies.

**Credit risk:** The company's credit risk relates to the advances to affiliated companies.

# STATHKO INVESTMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 11. RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions:

The Company paid \$Nil (2021: \$100,300) in management fees to its parent company, CMD Holdings Inc.

The Company paid \$178,862 (2021: \$89,274) in management fees to its parent company, Collision Kings Group Ltd..

The Company paid the following, to related company by way of common control:

	\$
CMD Glass Ltd.; cost of goods sold	4,386

### 12. COMMITMENTS

The Company is committed to the following annual lease payments for its premises at 1407-9th Avenue SW, Calgary. The lease agreement is for a five year term expiring September 30, 2025.

2023: \$174,110

2024: \$174,110

2025: \$174,110

The Company operates under a franchise agreement with Carstar Automotive Canada Inc. The Company is required to comply with the terms of the franchise agreement and is committed to pay franchise fees based on a percentage of revenues.

# STATHKO INVESTMENTS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

July 31, 2022

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### 13. CONTINGENCIES

The Company, together with companies under common control, 2199931 Alberta Ltd and Collision Kings 3 Ltd have guaranteed the operating loan of CMD Holdings Inc. up to \$800,000. The outstanding balance as at July 31, 2022 \$768,000.

The Company, together with companies under common control have guaranteed a Fixed rate term loan of CMD Holdings Inc. up to \$6,000,000. The outstanding balance as at July 31, 2022 \$4,428,571.

The Company, together with companies under common control have guaranteed a promissory note of CMD Holdings Inc. up to \$500,000. The outstanding balance as at July 31, 2022 \$500,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of East Lake Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Sunridge Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000.

The Company, together with companies under common control and Business Development Bank of Canada have guaranteed Fixed rate HASCAP term loan of Mayland Heights Collision Ltd. up to \$750,000. The outstanding balance as at July 31, 2022 \$750,000

In management's opinion, the likelihood of having to make any payments under the guarantees is low and the company has therefore not recognized any liability in the non-consolidated financial statements

### 14. SHARE CAPITAL

	<u>2022</u>	<u>2021</u>
	\$	\$
Issued and fully paid - 100 Class A common shares; voting	<u>100</u>	<u>100</u>

**STATHKO INVESTMENTS LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2022

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**15. CASH FLOW STATEMENT**

	<u>2022</u>	<u>2021</u>
	\$	\$
Net changes in non-cash working capital affecting operations:		
Accounts receivable	54,148	(52,862)
Prepaid expenses	(6,435)	(16,880)
Inventory	(34,074)	22,251
Accounts payable and accrued liabilities	173,733	87,836
Due to government agencies	15,086	(514)
Income taxes recoverable	(37,350)	(3,898)
Accrued wages payable	(1,625)	368
Deposit	19,490	(265)
	<u>182,973</u>	<u>36,036</u>



## SCHEDULE OF EXPENSES

	2022	2021
	\$	\$
Advertising and promotion	3,340	3,465
Amortization	14,941	14,304
Bad debts	1,975	6,531
Employee benefits	63,022	68,375
Equipment rental	355	-
Franchise fees	92,058	92,212
Insurance	4,882	5,615
Interest and service charges	10,537	9,940
Occupancy Costs	295,479	231,663
Office	38,665	39,160
Professional fees	5,919	8,116
Salaries	321,630	268,677
Selling expenses	75,848	39,461
Supplies	64,343	30,161
Taxes & penalties	2,290	-
Telephone and internet	799	10,142
Warranty expense	28,436	7,966
	<u>1,024,519</u>	<u>835,788</u>

R|M

REID & MILLER

CHARTERED PROFESSIONAL ACCOUNTANTS INC

**THIS IS EXHIBIT "25" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**COLLISION KINGS 3 LTD.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**COLLISION KINGS 3 LTD.**  
**Index to Compiled Financial Information**  
**Year Ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of Collision Kings 3 Ltd.

On the basis of information provided by management, we have compiled the balance sheet of Collision Kings 3 Ltd. as at July 31, 2022, and the statements of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
January 31, 2023

CHARTERED PROFESSIONAL  
ACCOUNTANTS

**COLLISION KINGS 3 LTD.**  
**Balance Sheet**  
**July 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts receivable	\$ 158,087	\$ 297,871
Inventory	155,738	135,537
Income taxes recoverable	41,321	-
Prepaid expenses	24,570	36,486
Due from related parties	-	164,431
	<u>379,716</u>	634,325
PROPERTY, PLANT AND EQUIPMENT <i>(Note 2)</i>	267,572	331,651
GOODWILL <i>(Net of accumulated amortization)</i>	1,910,509	1,910,509
	<u>\$ 2,557,797</u>	<u>\$ 2,876,485</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ 482,261	\$ 339,011
Accounts payable	461,640	373,357
Income taxes payable	-	8,635
Current portion of long term debt	247,230	-
Due to government agencies	5,227	809
Due to related parties	264,102	-
	<u>1,460,460</u>	721,812
LONG TERM DEBT	905,623	1,455,808
DEFERRED INCOME	800,077	379,985
	<u>3,166,160</u>	2,557,605
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	100	100
Retained earnings (deficit)	(608,463)	318,780
	<u>(608,363)</u>	318,880
	<u>\$ 2,557,797</u>	<u>\$ 2,876,485</u>

See notes to financial information

**COLLISION KINGS 3 LTD.**  
**Statement of Loss**  
**Year Ended July 31, 2022**

	2022	2021
<b>TRADE SALES</b>	<b>\$ 1,790,352</b>	<b>\$ 2,573,050</b>
<b>COST OF SALES</b>		
Purchases	1,267,965	1,187,249
Direct wages	275,059	297,481
Purchase Rebate	(16,589)	(30,044)
Trades and sub-contracts	185,027	202,964
	<u>1,711,462</u>	<u>1,657,650</u>
<b>GROSS PROFIT</b>	<b>78,890</b>	<b>915,400</b>
<b>EXPENSES</b>		
Advertising and promotion	41,632	21,526
Amortization	66,580	80,497
Bad debts	-	759
Business taxes, licenses and memberships	39,124	32,828
Delivery, freight and express	1,721	983
Equipment rentals	155,487	161,410
Franchise Fees	27,000	27,037
Insurance	12,000	77,887
Insurer rebates	13,593	52,659
Interest and bank charges	35,491	35,796
Interest on long term debt	46,007	42,319
Management fees	136,684	116,213
Meals and entertainment	6,127	8,873
Miscellaneous	137	-
Occupancy costs	95,295	78,210
Office	6,144	9,230
Professional fees	6,430	12,760
Repairs and maintenance	37,616	41,276
Salaries and wages	244,491	217,887
Supplies	32,846	41,877
Telephone	8,047	6,845
Training	35	2,419
Travel	12,575	10,282
Warrenty Expense	31,423	(1,457)
	<u>1,056,485</u>	<u>1,078,116</u>
<b>LOSS FROM OPERATIONS</b>	<b>(977,595)</b>	<b>(162,716)</b>
<b>OTHER INCOME</b>		
Government assistance	26,919	218,074
<b>INCOME (LOSS) BEFORE INCOME TAXES (RECOVERED)</b>	<b>(950,676)</b>	<b>55,358</b>
<b>INCOME TAXES (RECOVERED)</b>	<b>(23,433)</b>	<b>(3,120)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (927,243)</b>	<b>\$ 58,478</b>

See notes to financial information



**COLLISION KINGS 3 LTD.**  
**Statement of Deficit**  
**Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>RETAINED EARNINGS - BEGINNING OF YEAR</b>	<b>\$ 318,780</b>	<b>\$ 260,302</b>
<b>NET INCOME (LOSS)</b>	<b><u>(927,243)</u></b>	<b><u>58,478</u></b>
<b>RETAINED EARNINGS (DEFICIT) - END OF YEAR</b>	<b><u>\$ (608,463)</u></b>	<b><u>\$ 318,780</u></b>

See notes to financial information

**COLLISION KINGS 3 LTD.**  
**Notes to Compiled Financial Information**  
**Year Ended July 31, 2022**  
*(Unaudited - See Notice To Reader)*

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1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Collision Kings 3 Ltd. as at July 31, 2022, and the statements of loss and deficit for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
  - inventory valued at cost
  - property, plant and equipment amortized on the same basis as for income tax
  - accounts payable and accrued liabilities
  - current income taxes payable as at the reporting date
  - goodwill amortized over its estimated useful life
- 

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Equipment	\$ 425,229	\$ 177,049	<b>\$ 248,180</b>	\$ 307,410
Furniture and fixtures	26,702	11,322	<b>15,380</b>	19,226
Leasehold improvements	6,366	2,354	<b>4,012</b>	5,015
	<b>\$ 458,297</b>	<b>\$ 190,725</b>	<b>\$ 267,572</b>	<b>\$ 331,651</b>

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**THIS IS EXHIBIT "26" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**2199931 ALBERTA LTD.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**2199931 ALBERTA LTD.**  
**Index to Compiled Financial Information**  
**Year Ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of 2199931 Alberta Ltd.

On the basis of information provided by management, we have compiled the balance sheet of 2199931 Alberta Ltd. as at July 31, 2022, and the statements of loss and retained earnings for the year then ended, and , which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
January 31, 2023

CHARTERED PROFESSIONAL  
ACCOUNTANTS

**2199931 ALBERTA LTD.**  
**Balance Sheet**  
**July 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ -	\$ 126,407
Accounts receivable	230,985	632,676
Inventory	-	224,110
Work in progress	306,820	311,917
Prepaid expenses	109,755	116,258
Due from related parties	1,007,666	126,454
	<u>1,655,226</u>	1,537,822
PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization)</i>	477,694	625,436
GOODWILL <i>(Net of accumulated amortization)</i>	3,226,546	3,226,546
	<u>\$ 5,359,466</u>	<u>\$ 5,389,804</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ 157,321	\$ -
Accounts payable	365,168	357,897
Income taxes payable	34,653	98,780
Deposits received	1,759	-
Current portion of long term debt	452,782	-
Due to government agencies	74,909	49,576
Deferred income	1,130,289	1,215,832
	<u>2,216,881</u>	1,722,085
LONG TERM DEBT	<u>2,479,610</u>	2,370,241
	<u>4,696,491</u>	4,092,326
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	100	100
Retained earnings	662,875	1,297,378
	<u>662,975</u>	1,297,478
	<u>\$ 5,359,466</u>	<u>\$ 5,389,804</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**2199931 ALBERTA LTD.**  
**Statement of Loss**  
**Year Ended July 31, 2022**

	2022	2021
<b>TRADE SALES</b>	<b>\$ 6,107,376</b>	<b>\$ 6,024,156</b>
<b>COST OF SALES</b>		
Purchases	2,671,845	2,130,585
Direct wages	1,235,736	1,152,932
Purchase rebates	(85,902)	(106,413)
Trades and sub-contracts	251,585	191,088
	<b>4,073,264</b>	<b>3,368,192</b>
<b>GROSS PROFIT (33.31%; 2021 - 44.09%)</b>	<b>2,034,112</b>	<b>2,655,964</b>
<b>EXPENSES</b>		
Advertising and promotion	67,688	44,894
Amortization	126,128	172,348
Bad debts (recovery)	2,298	(155)
Business taxes, licenses and memberships	55,971	45,795
Insurance	14,053	2,444
Interest and bank charges	34,555	22,854
Interest on long term debt	74,935	88,508
Management fees	384,245	294,467
Meals and entertainment	-	87
Memberships	13,063	15,242
Miscellaneous	7,649	689
Office	47,815	27,986
Franchise fees	64,548	59,404
Occupancy costs	286,086	281,001
Insurer rebates	9,449	26,879
Professional fees	12,862	36,549
Equipment rentals	221,295	233,028
Repairs and maintenance	50,492	36,427
Salaries and wages	994,174	955,017
Supplies	101,440	108,946
Telephone	9,334	9,135
Travel	12,924	12,854
Utilities	41,486	36,492
Vehicle	-	1,326
	<b>2,632,490</b>	<b>2,512,217</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(598,378)</b>	<b>143,747</b>
<b>OTHER INCOME</b>		
Loss on disposal of property, plant and equipment	(5,494)	-
Government Assistance	2,764	571,505
	<b>(2,730)</b>	<b>571,505</b>
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>(601,108)</b>	<b>715,252</b>

*(continues)*



**2199931 ALBERTA LTD.**  
**Statement of Loss** *(continued)*  
**Year Ended July 31, 2022**

	<b>2022</b>	2021
INCOME TAXES	<u><b>33,395</b></u>	<u>216,853</u>
<b>NET INCOME (LOSS)</b>	<u><b>\$ (634,503)</b></u>	<u>\$ 498,399</u>

**2199931 ALBERTA LTD.**  
**Statement of Retained Earnings**  
**Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
RETAINED EARNINGS - BEGINNING OF YEAR	\$ 1,297,378	\$ 798,979
NET INCOME (LOSS)	<u>(634,503)</u>	<u>498,399</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 662,875</u>	<u>\$ 1,297,378</u>

**THIS IS EXHIBIT "27" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**NICK'S REPAIR SERVICE LTD.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**NICK'S REPAIR SERVICE LTD.**  
**Index to Compiled Financial Information**  
**Year Ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of Nick's Repair Service Ltd.

On the basis of information provided by management, we have compiled the balance sheet of Nick's Repair Service Ltd. as at July 31, 2022, and the statements of loss and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
January 31, 2023

CHARTERED PROFESSIONAL  
ACCOUNTANTS

**NICK'S REPAIR SERVICE LTD.****Balance Sheet****July 31, 2022**

	<b>2022</b>	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ -	\$ 111,073
Accounts receivable	<b>97,056</b>	93,778
Inventory	<b>115,432</b>	160,674
	<b>212,488</b>	365,525
PROPERTY, PLANT AND EQUIPMENT <i>(Note 2)</i>	<b>72,454</b>	88,279
GOODWILL <i>(Net of accumulated amortization)</i>	<b>304,381</b>	304,381
DUE FROM RELATED PARTIES	<b>73,557</b>	30,595
	<b>\$ 662,880</b>	<b>\$ 788,780</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT</b>		
Bank indebtedness	\$ 19,114	\$ -
Accounts payable	<b>107,935</b>	121,566
Income taxes payable	<b>63,948</b>	68,497
Current portion of long term debt	<b>88,892</b>	-
Deferred income	<b>237,255</b>	120,424
	<b>517,144</b>	310,487
LONG TERM DEBT	<b>106,713</b>	282,926
	<b>623,857</b>	593,413
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	1	1
Retained earnings	<b>39,022</b>	195,366
	<b>39,023</b>	195,367
	<b>\$ 662,880</b>	<b>\$ 788,780</b>

See notes to financial information

**NICK'S REPAIR SERVICE LTD.****Statement of Loss****Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>TRADE SALES</b>	<b>\$ 1,297,989</b>	<b>\$ 1,285,351</b>
<b>COST OF SALES</b>		
Purchases	1,095,271	781,333
Direct wages	109,134	145,982
Purchase rebates	<u>(33,618)</u>	<u>(23,847)</u>
	<b>1,170,787</b>	<b>903,468</b>
<b>GROSS PROFIT</b>	<b>127,202</b>	<b>381,883</b>
<b>EXPENSES</b>		
Advertising and promotion	3,614	2,243
Amortization	21,123	24,734
Bad debts	42,317	-
Business taxes, licenses and memberships	11,256	5,742
Delivery, freight and express	354	264
Equipment rentals	12,085	12,596
Insurance	21,657	22,420
Interest and bank charges	12,502	9,122
Management fees	87,823	58,039
Meals and entertainment	-	91
Office	5,240	4,271
Professional fees	6,777	8,331
Rental	42,000	42,000
Repairs and maintenance	4,776	3,456
Supplies	17,670	22,328
Telephone	2,973	3,791
Vehicle	<u>6,346</u>	<u>7,131</u>
	<b>298,513</b>	<b>226,559</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(171,311)</b>	<b>155,324</b>
<b>OTHER INCOME</b>		
Government Assistance	<u>1,841</u>	<u>86,931</u>
<b>INCOME (LOSS) BEFORE INCOME TAXES (RECOVERED)</b>	<b>(169,470)</b>	<b>242,255</b>
<b>INCOME TAXES (RECOVERED)</b>	<b>(13,126)</b>	<b>57,588</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (156,344)</b>	<b>\$ 184,667</b>

See notes to financial information



**NICK'S REPAIR SERVICE LTD.**  
**Statement of Retained Earnings**  
**Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>RETAINED EARNINGS - BEGINNING OF YEAR</b>	<b>\$ 195,366</b>	<b>\$ 10,699</b>
NET INCOME (LOSS)	<u>(156,344)</u>	<u>184,667</u>
<b>RETAINED EARNINGS - END OF YEAR</b>	<b><u>\$ 39,022</u></b>	<b><u>\$ 195,366</u></b>

See notes to financial information

**NICK'S REPAIR SERVICE LTD.**  
**Notes to Compiled Financial Information**  
**Year Ended July 31, 2022**  
*(Unaudited - See Notice To Reader)*

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Nick's Repair Service Ltd. as at July 31, 2022, and the statements of loss and retained earnings for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- inventory valued at cost
- property, plant and equipment amortized on the same basis as for income tax
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date
- goodwill amortized over its estimated useful life

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Buildings	\$ 5,552	\$ 4,740	\$ 812	\$ 894
Equipment	277,812	220,654	<b>57,158</b>	64,960
Motor vehicles	58,273	46,032	<b>12,241</b>	17,487
Computer equipment	13,770	11,539	<b>2,231</b>	4,923
Furniture and fixtures	4,625	4,613	<b>12</b>	15
	<b>\$ 360,032</b>	<b>\$ 287,578</b>	<b>\$ 72,454</b>	<b>\$ 88,279</b>

**THIS IS EXHIBIT "28" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**10026923 MANITOBA LTD.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**10026923 MANITOBA LTD.**  
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**Year Ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of 10026923 Manitoba Ltd.

On the basis of information provided by management, we have compiled the balance sheet of 10026923 Manitoba Ltd. as at July 31, 2022, and the statements of income and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

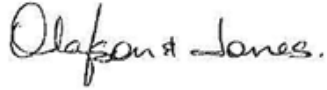
Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
November 16, 2023

  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

**10026923 MANITOBA LTD.**

**Balance Sheet**

**July 31, 2022**

	2022	2021
<b>ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT <i>(Note 2)</i>	\$ 226,691	\$ 233,364
DUE FROM RELATED PARTIES	-	15,788
DUE FROM SHAREHOLDERS	10	10
	<u>\$ 226,701</u>	<u>\$ 249,162</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>CURRENT</b>		
Accounts payable	\$ 4,428	\$ 1,701
Current portion of long term debt	51,647	46,604
Goods and services tax payable	2,019	2,021
	<u>58,094</u>	50,326
LONG TERM DEBT	153,667	206,899
DUE TO RELATED PARTIES	22,646	-
	<u>234,407</u>	257,225
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	10	10
Deficit	(7,716)	(8,073)
	<u>(7,706)</u>	(8,063)
	<u>\$ 226,701</u>	<u>\$ 249,162</u>

The accompanying notes are an integral part of these statements.

**10026923 MANITOBA LTD.****Statement of Income  
Year Ended July 31, 2022**

	<b>2022</b>	2021
<b>REVENUES</b>	<b>\$ 42,000</b>	\$ 42,000
<b>EXPENSES</b>		
Amortization	<b>6,672</b>	6,950
Interest on long term debt	<b>8,298</b>	10,308
Occupancy costs	<b>12,823</b>	14,899
Professional fees	<b>2,039</b>	1,685
Repairs and maintenance	<b>11,934</b>	15,298
	<b>41,766</b>	49,140
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>234</b>	(7,140)
<b>OTHER INCOME</b>		
Government assistance	<b>123</b>	-
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	<b>357</b>	(7,140)
<b>INCOME TAXES</b>	<b>-</b>	349
<b>NET INCOME (LOSS)</b>	<b>\$ 357</b>	\$ (7,489)

The accompanying notes are an integral part of these statements.



**10026923 MANITOBA LTD.**

**Statement of Deficit  
Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>DEFICIT - BEGINNING OF YEAR</b>	<b>\$ (8,073)</b>	<b>\$ (584)</b>
NET INCOME (LOSS)	<u>357</u>	<u>(7,489)</u>
<b>DEFICIT - END OF YEAR</b>	<b><u>\$ (7,716)</u></b>	<b><u>\$ (8,073)</u></b>

The accompanying notes are an integral part of these statements.

## Notes to Compiled Financial Information

## Year Ended July 31, 2022

## 1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of 10026923 Manitoba Ltd. as at July 31, 2022, and the statements of income and deficit for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- property, plant and equipment amortized on the same basis as for income tax
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date
- rental revenue recorded in accordance with the lease terms

## 2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Land	\$ 66,555	\$ -	<b>\$ 66,555</b>	\$ 66,555
Buildings	183,445	23,309	<b>160,136</b>	166,809
	<b>\$ 250,000</b>	<b>\$ 23,309</b>	<b>\$ 226,691</b>	<b>\$ 233,364</b>

**THIS IS EXHIBIT "29" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**BUNZY'S AUTO BODY LTD.**  
**Compiled Financial Information**  
**Year Ended July 31, 2022**

**BUNZY'S AUTO BODY LTD.**  
**Index to Compiled Financial Information**  
**Year Ended July 31, 2022**

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## COMPILATION ENGAGEMENT REPORT

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To the Shareholders of Bunzy's Auto Body Ltd.

On the basis of information provided by management, we have compiled the balance sheet of Bunzy's Auto Body Ltd. as at July 31, 2022, and the statements of loss and deficit for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

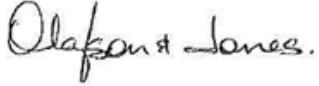
Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Winnipeg, Manitoba  
August 3, 2023

  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

**BUNZY'S AUTO BODY LTD.****Balance Sheet****July 31, 2022**

	<b>2022</b>	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 13,959	\$ 58,748
Accounts receivable	94,887	120,589
Inventory	140,295	74,907
	<u>249,141</u>	254,244
PROPERTY, PLANT AND EQUIPMENT (Note 2)	85,995	95,451
GOODWILL (Net of accumulated amortization)	820,251	820,251
DUE FROM RELATED PARTIES	-	195,705
	<u>\$ 1,155,387</u>	<u>\$ 1,365,651</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>CURRENT</b>		
Accounts payable	\$ 235,451	\$ 122,553
Current portion of long term debt	32,073	30,089
Due to government agencies	35,655	34,186
Deferred income	281,716	579,433
	<u>584,895</u>	766,261
LONG TERM DEBT	519,152	551,632
DUE TO RELATED PARTIES	323,145	-
	<u>1,427,192</u>	1,317,893
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	100	100
Retained earnings (deficit)	(271,905)	47,658
	<u>(271,805)</u>	47,758
	<u>\$ 1,155,387</u>	<u>\$ 1,365,651</u>

See notes to financial information

**BUNZY'S AUTO BODY LTD.****Statement of Loss****Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>TRADE SALES</b>	<b>\$ 1,123,725</b>	<b>\$ 1,370,851</b>
<b>COST OF SALES</b>		
Purchases	610,942	632,626
Direct wages	212,319	315,836
Purchase rebates	(61,228)	(62,910)
Trades and sub-contracts	59,011	63,190
	<u>821,044</u>	<u>948,742</u>
<b>GROSS PROFIT</b>	<u>302,681</u>	<u>422,109</u>
<b>EXPENSES</b>		
Advertising and promotion	45,645	32,981
Amortization	9,456	10,809
Bad debt recovery	-	(6,671)
Business taxes and licenses	17,700	35,312
Employee benefits	7,177	1,906
Insurance	65,647	10,805
Interest on long term debt	26,198	36,349
Interest and bank charges	4,476	5,322
Management fees	66,488	62,386
Meals and entertainment	2,726	15,532
Miscellaneous	12,848	(2,158)
Office	2,417	1,955
Occupancy costs	66,586	62,088
Professional fees	13,193	11,295
Equipment rentals	29,245	22,565
Repairs and maintenance	23,796	22,727
Salaries and wages	227,759	247,960
Supplies	23,465	18,644
Telephone	5,818	5,862
Travel	4,289	11,561
Utilities	-	30
Vehicle	331	788
	<u>655,260</u>	<u>608,048</u>
<b>LOSS FROM OPERATIONS</b>	<b>(352,579)</b>	<b>(185,939)</b>
<b>OTHER INCOME</b>		
Government assistance	33,016	181,151
<b>NET LOSS</b>	<b>\$ (319,563)</b>	<b>\$ (4,788)</b>

See notes to financial information



**BUNZY'S AUTO BODY LTD.**

**Statement of Deficit**

**Year Ended July 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>RETAINED EARNINGS - BEGINNING OF YEAR</b>	<b>\$ 47,658</b>	<b>\$ 52,446</b>
<b>NET LOSS</b>	<b><u>(319,563)</u></b>	<b><u>(4,788)</u></b>
<b>RETAINED EARNINGS (DEFICIT) - END OF YEAR</b>	<b><u>\$ (271,905)</u></b>	<b><u>\$ 47,658</u></b>

See notes to financial information

**BUNZY'S AUTO BODY LTD.**  
**Notes to Compiled Financial Information**  
**Year Ended July 31, 2022**  
*(Unaudited - See Notice To Reader)*

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1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Bunzy's Auto Body Ltd. as at July 31, 2022, and the statements of loss and deficit for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
  - inventory valued at cost
  - property, plant and equipment amortized on the same basis as for income tax
  - accounts payable and accrued liabilities
  - current income taxes payable as at the reporting date
  - goodwill amortized over its estimated useful life
- 

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Land	\$ 9,620	\$ -	<b>\$ 9,620</b>	\$ 9,620
Buildings	328,702	280,161	<b>48,541</b>	50,563
Equipment	234,793	206,993	<b>27,800</b>	35,219
Motor vehicles	42,079	42,045	<b>34</b>	49
	<b>\$ 615,194</b>	<b>\$ 529,199</b>	<b>\$ 85,995</b>	<b>\$ 95,451</b>

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**THIS IS EXHIBIT "30" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957-0029

August 6, 2019

2199931 ALBERTA LTD.  
5706 44 Street  
Lloydminster, Alberta  
T9V 0B6

Attention: Shane Daerden

Dear Shane:

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

#### **BORROWER**

2199931 ALBERTA LTD. (the "Borrower")

#### **LENDER**

The Toronto-Dominion Bank (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

#### **CREDIT LIMIT**

- 1) CAD\$500,000
- 2) CAD\$3,010,000

#### **TYPE OF CREDIT AND BORROWING OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
- 2) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
  - Fixed Rate Term Loan in CAD\$
  - Floating Rate Term Loan available by way of:

- Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

**PURPOSE**

- 1) To assist with working capital as required.
- 2) To assist with the acquisition of the assets of City Center Auto Body Ltd.

**TENOR**

- 1) Uncommitted
- 2) Committed

**CONTRACTUAL  
TERM**

- 1) No term
- 2) Up to 60 month(s) from the date of drawdown

**RATE TERM  
(FIXED RATE  
TERM LOAN)**

- 2) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 2) Floating rate: No term

**AMORTIZATION**

- 2) 84 month(s)

**INTEREST RATES  
AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
  - Prime Based Loans: Prime Rate + 0.750% per annum
- 2) **Committed Reducing Term Facility (Single Draw):**
  - Fixed Rate Term Loans: as determined by the Bank, in its sole discretion, for the Rate Term
  - selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
  - Floating Rate Term Loans available by way of:
    - Prime Based Loans: Prime Rate + 1.000% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

**ARRANGEMENT  
FEE**

The Borrower has paid or will pay hereunder a non-refundable arrangement fee of CAD\$5,500.

**ADMINISTRATION  
FEE**

CAD\$200 per month.

**RENEWAL FEE**

CAD\$2,000 per annum.

**EXCESS MONITORING FEE**

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

**DRAWDOWN**

<b>Assigned Facilities</b>	<b>Description</b>
1)	On a revolving basis
2)	Any reduction in the purchase price of \$4,300,000 evidenced via asset purchase agreement for the assets of City Centre Auto Body Ltd. is to act as a permanent reduction to facility #2.
2)	One time drawdown after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

**BUSINESS CREDIT  
SERVICE**

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 9349518 @ 6330 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 5349518 @ 6330 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$1,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount

sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 1) | On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower. |
| 2) | All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.   |

### **PREPAYMENT**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 2) | The Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A. |
|----|---|

### **SECURITY**

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property;
- b) Assignment of Fire Insurance;
- c) Landlord's Letter of Non-Disturbance / Landlord's Waiver;

- d) Postponement and Assignment of Creditor's Claim executed by COLLISION KINGS GROUP INC;
- e) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby Gerald Gagnon subordinates their security interest in assets in favor of the Bank, complete with 120 day standstill clause;
- f) Guarantee of Advances
  - Limited CAD \$955,000
  - Executed by SHANE DAERDEN (the "Guarantor")
- g) Guarantee of Advances
  - Limited CAD \$955,000
  - Executed by [REDACTED] (the "Guarantor")
- h) Guarantee of Advances
  - Limited CAD \$955,000
  - Executed by [REDACTED] (the "Guarantor")
- i) Guarantee of Advances
  - Limited CAD \$955,000
  - Executed by [REDACTED] (the "Guarantor")

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT  
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Copy of the lease agreement between City Centre Auto Body Ltd. and the landlord for the properties located at 5706 44 St, Lloydminster, AB and 4407 52 St, Lloydminster, SK evidencing minimum lease term of 7 years
All)	Draft or executed copy of franchise agreement between 2199931 Alberta Ltd. and Carstar Collision and Glass Service
All)	Executed copy of the Asset Purchase Agreement with all schedules including, but not limited to employment contracts if applicable, non-compete agreement, and promissory note agreement (Understanding that the advance to the solicitor can be based off the draft agreement, inclusive of the schedules, and undertaking to obtain the finalized executed copy post close)
All)	Funds to be advanced in trust via Solicitor



- All) Satisfactory completion of the Environmental and Social Risk Site Visit Form and the Borrower to complete the Environmental and Social Risk Borrower Questionnaire for the properties located at 5706 44 St, Lloydminster, AB and 4407 52 St, Lloydminster, SK

**REPRESENTATIONS  
AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

**POSITIVE  
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will provide:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Annual review engagement financial statements for 2199931 Alberta Ltd. within 120 calendar days of fiscal year end;
All)	Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantor(s) and such supporting documentation as the Bank may reasonably request and, at minimum, every three years;
All)	An aged accounts receivable listing and aged accounts payable listing at the Bank's request and, at minimum, annually within 120 calendar days of fiscal year end

**NEGATIVE  
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Accelerate or prepay the amounts owing to the Vendor, or amend the Vendor Take Back note without the Bank's prior written consent. For clarity, the payment schedule is to be as follows:  \$100,000 shall be paid in equal consecutive annual installments ending five years from the date of transaction closing (equating to \$500,000 repaid in five years)  Notwithstanding the permitted payment scheduled above, Vendor payments to be suspended if any Bank covenant is not in compliance on a pre and post payment basis. Payments are able to resume once compliance has been restored.
All)	Pay management fees or make distributions unless the Debt Service Coverage covenant is in compliance on both a pre and post payment basis.

## PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

<b>Assigned Facilities</b>	<b>Description</b>
----------------------------	--------------------

- |      |  |
|------|--|
| All) | Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%; |
| All) | Shareholders may register a second position General Security Agreement on 2199931 Alberta Ltd.   |

## FINANCIAL COVENANTS

The Borrower agrees at all times to:

<b>Assigned Facilities</b>	<b>Description</b>
----------------------------	--------------------

- |      |  |
|------|--|
| All) | Maintain Debt Service Coverage of 120%. To be tested annually based on the accountant prepared financial statements of 2199931 Alberta Ltd. Test is to be calculated as follows:<br><br>(Earnings Before Interest, Taxes, Depreciation & Amortization – Unfinanced CAPEX - Distributions) / (Principal + Interest)<br><br>Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal<br><br>Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties' withdrawal of capital. |
|------|--|

## EVENTS OF DEFAULT

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

## ANCILLARY FACILITIES

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$100,000.

**AVAILABILITY OF  
OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

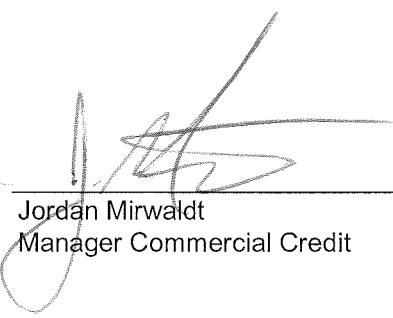
We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **August 10, 2019**.

Yours truly,

**THE TORONTO-DOMINION BANK**

  
\_\_\_\_\_  
Steve Graham  
Relationship Manager

*Per Michael Bruce,  
Analyst*

  
\_\_\_\_\_  
Jordan Mirwaldt  
Manager Commercial Credit

TO THE TORONTO-DOMINION BANK:

2199931 ALBERTA LTD. hereby accepts the foregoing offer this 6 day of August, 2019. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

Shane Daerden President  
Print Name & Position

**cc. Guarantor(s)**

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

**SCHEDULE A**  
**STANDARD TERMS AND CONDITIONS**

**1. INTEREST RATE DEFINITIONS**

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

**2. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### **3. DRAWDOWN PROVISIONS**

#### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

#### **B/As**

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### **LIBOR and CDOR**

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

#### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

### **B/A, LIBOR and CDOR - Conversion**

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

### **B/A, LIBOR and CDOR – Market Disruption**

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

### **Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

### **Notice**

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

## **4. PREPAYMENT**

### **Fixed Rate Term Loans**

#### **10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity



of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **10% Prepayment Option Not Chosen.**

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

#### **5. STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
  - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
  - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
  - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
  - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
  - v) All operation of account documentation; and
  - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

#### **6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

#### **8. STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

#### **9. ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

#### **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

## **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

## **12. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

## **13. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

## **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

## **15. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

## **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

#### **17. EXPENSES**

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

#### **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

#### **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

#### **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

## **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

## **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

## **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

## **24. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

## **25. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

## **26. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

## **27. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

## **28. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

*"All-In Rate"* means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

*"Agreement"* means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

*"Business Day"* means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

*"Branch/Centre"* means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

*"Contractual Term Maturity Date"* means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

*"Cross Default Threshold"* means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

*"Face Amount"* means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

*"Fixed Rate Term Loan"* means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

*"Floating Rate Loan"* means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.



*"Inventory Value"* means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

*"Letter"* means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

*"Letter of Credit" or "L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

*"Letter of Guarantee" or "L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

*"Maturity Date"* for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

*"Person"* includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

*"Purchase Money Security Interest"* means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

*"Rate Term"* means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

*"Rate and Payment Terms Notice"* means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

*"Receivable Value"* means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

*"Receivables/Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

*"US\$" or "USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.



360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957-0029

November 1, 2019

2199931 ALBERTA LTD.  
5706 44 Street  
Lloydminster, Alberta  
T9V 0B6

Attention: Shane Daerden

Dear Shane:

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated August 6, 2019:

**BORROWER**

2199931 ALBERTA LTD. (the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

**DRAWDOWN**

Assigned Facilities	Description
2)	Any reduction in the purchase price of \$4,300,000 evidenced via asset purchase agreement for the assets of City Centre Auto Body Ltd. is to act as a permanent reduction to facility #2. <b>This Condition has been removed and replaced with:</b>
2)	Any reduction in the purchase price of \$4,050,000 evidenced via asset purchase agreement for the assets of City Centre Auto Body Ltd. is to act as a permanent reduction to facility #2.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

## SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- e) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby Gerald Gagnon subordinates their security interest in assets in favor of the Bank, complete with 120 day standstill clause.  
**This security item has been deleted**

## DISBURSEMENT CONDITIONS

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Executed copy of the Asset Purchase Agreement with all schedules including, but not limited to employment contracts if applicable, non-compete agreement, and promissory note agreement (Understanding that the advance to the solicitor can be based off the draft agreement, inclusive of the schedules, and undertaking to obtain the finalized executed copy post close) <b>This Condition has been removed and replaced with:</b>
All)	Executed copy of the Asset Purchase Agreement with all schedules including, but not limited to employment contracts if applicable and non-compete agreement (Understanding that the advance to the solicitor can be based off the draft agreement, inclusive of the schedules, and undertaking to obtain the finalized executed copy post close)

## NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Accelerate or prepay the amounts owing to the Vendor, or amend the Vendor Take Back note without the Bank's prior written consent. For clarity, the payment schedule is to be as follows:  \$100,000 shall be paid in equal consecutive annual installments ending five years from the date of transaction closing (equating to \$500,000 repaid in five years)

Notwithstanding the permitted payment scheduled above, Vendor payments to be suspended if any Bank covenant is not in compliance on a pre and post payment basis. Payments are able to resume once compliance has been restored. **This Covenant has been removed.**

#### PERMITTED LIENS

Permitted Liens as referred to in Schedule "A" are:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Shareholders may register a second position General Security Agreement on 2199931 Alberta Ltd. <b>This Condition has been removed.</b>

#### SCHEDULE "A" - STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before **November 15, 2019.**

#### **ACCURACY OF INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

**THE TORONTO-DOMINION BANK**



---

Steve Graham  
Relationship Manager



---

Jordan Mirwaldt  
Manager Commercial Credit

TO THE TORONTO-DOMINION BANK:

2199931 ALBERTA LTD. hereby accepts the foregoing offer this 4 day of November, 2019. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

Shane Daerden

Print Name & Position

360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957- 0029

April 13, 2022

2199931 ALBERTA LTD.  
5706 44 St  
Lloydminster, Alberta  
T9V 0B6

Attention: Shane Daerden

Dear Shane:

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated August 6, 2019 and the subsequent Amending Agreement(s) dated November 1, 2019, December 12, 2019 & May 20, 2021:

**BORROWER**

2199931 ALBERTA LTD. (the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

**CREDIT LIMIT**

3) CAD\$1,000,000

**TYPE OF CREDIT  
AND BORROWING  
OPTIONS**

3) **HASCAP Term Loan** available at the Borrower's option by way of:  
- Fixed Rate Term Loan in CAD\$

**PURPOSE**

3) To finance day to day business operating costs

**TENOR**

3) Committed

**CONTRACTUAL  
TERM**

- 3) The Contractual Term Maturity Date shall be 10 years from the date of drawdown

**RATE TERM  
(FIXED RATE  
TERM LOAN)**

- 3) The Rate Term Maturity Date shall be 10 years from the date of drawdown

**AMORTIZATION**

- 3) 10 years from the date of drawdown

**INTEREST RATES  
AND FEES**

Advances shall bear interest and fees as follows:

- 3) **Committed Reducing Term Facility:**  
Fixed Rate Term Loans: 4.00% per annum  
No fees described hereunder shall apply to this facility at any time.

For all Facilities, interest payments will be made in accordance with Schedule "A" unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A".

**DRAWDOWN**

**Assigned Facilities Description**

- 3) One-time drawdown to occur upon acceptance of this agreement by the Borrower and satisfaction of the disbursement conditions. Drawdown must occur within 30 days of acceptance of this Agreement by the Borrower, if drawdown is not completed within 30 days the amount not drawn is cancelled. Amounts repaid may not be redrawn.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

**REPAYMENT AND  
REDUCTION OF  
AMOUNT OF CREDIT  
FACILITY**

**Assigned Facilities Description**

- 3) All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. For the first 12-months from the date of drawdown (the 'Moratorium'), the Borrower is required to pay interest only payments on a monthly basis.



Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of \$11,041.68. Any amounts repaid may not be reborrowed.

### **PREPAYMENT**

#### **Assigned Description Facilities**

- 3) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the Interest Rate Differential, being the amount by which:
- a. the total amount of interest on the amount of the prepayment using the interest rate applicable to this facility the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
  - b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

To be certain, Section 4 of Schedule "A" hereunder does not apply to this facility

### **SECURITY**

#### **Assigned Description Facilities**

- 3) a) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank

### **DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

#### **Assigned Description Facilities**

- 3) - Signed Letter Agreement and security and guarantees, each as required, to be on hand and in order.  
- BDC HASCAP Guarantee Online ID Form Confirmation.  
- HASCAP Eligible Borrower's Representations and Warranties.  
- Signed Waiver(s) from the Guarantor(s), as required.  
- Calculation of the Borrower Group's maximum HASCAP loan exposure with TD.

### **REPRESENTATIONS AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A", and in addition, represents and warrants that:

#### **Assigned Description Facilities**

- 3) In addition to the representations, warranties and covenants set out in the Agreement, the Borrower agrees to all the representations, warranties and covenants set out in the HASCAP Borrower's Representations and Warranties form.

**POSITIVE  
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

**Assigned Description  
Facilities**

- 3) The Borrower will provide, and consent to the Bank providing to, BDC and the Government of Canada or its agents, all information and documents relating to the Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Bank to the Borrower. The Borrower acknowledges and agrees that BDC and the Government of Canada or its agents may contact the Borrower to request, and the Borrower will provide, additional information and reporting as BDC and the Government of Canada or its agents deem reasonably necessary with respect to the HASCAP Term Loan.

**NEGATIVE  
COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

**Assigned Description  
Facilities**

- 3) No distributions are permitted within the first 12 months of the HASCAP loan unless (a) the distribution is made between the Borrower and guarantors or between guarantors; or (b) the distribution is made in-lieu of salary to shareholders involved directly in the Borrower's operations up to the lesser of (i) historical in lieu of salary distributions; or (ii) \$200,000.

The above will be documented in a separate HASCAP Borrower's Representations and Warranties form.

**EVENTS OF  
DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto and after any one of the following additional Events of Default:

**Assigned Description  
Facilities**

- 3) The Borrower fails to comply with any of the provisions of the HASCAP Eligible Borrower's Representations and Warranties provided by the Borrower to the Bank and the Business Development Bank of Canada ("BDC") (the "HASCAP Eligible Borrower's Representations and Warranties").

The Borrower makes a false or misleading representation or warranty to the Bank or BDC, including any representation or warranty made by the Borrower in the HASCAP Eligible Borrower's Representations and Warranties.

**SCHEDULE "A" -  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before **May 31, 2022**.

**ACCURACY OF  
INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

**THE TORONTO-DOMINION BANK**




Michael Bruce  
Relationship Manager



Bernie Scheurer  
Manager Commercial Services

**TO THE TORONTO-DOMINION BANK:**

2199931 ALBERTA LTD. hereby accepts the foregoing offer this \_\_\_\_\_ day of \_\_\_\_\_, 2022. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

Shane Daerden - President

**THIS IS EXHIBIT "31" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024**



---

**Kaitlin Ward, Barrister & Solicitor**



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: 2199931 ALBERTA LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**I. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;



- (c) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (I) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distraint on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 15<sup>th</sup> day of November, 2019.

2199931 ALBERTA LTD.

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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


Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

SCHEDULE "A"

DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS

QUANTITY	DESCRIPTION	SERIAL NUMBER
SEE ATTACHED		

LOCATION OF COLLATERAL

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

4407 52 Street, Lloydminster, Saskatchewan

5706 44 Street, Lloydminster, ~~Saskatchewan~~ Alberta

SPECIFIED COLLATERAL (Ontario only)

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

Additional Covenants of Customer Applicable to Above Collateral:

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.




RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President is and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of 2199931 ALBERTA LTD.  
on the 15<sup>th</sup> day of November, 2019 and that the said Resolution is now in full force and effect.

  
Secretary President C/S

## SCHEDULE "A"

### Schedule 2.1 – Purchased Assets

#### "M&E"

#### Class 8 Equipment – Alberta Location

WEDGE CLAMP SYSTEM  
SHELVING UNIT  
COUCH  
CLEAN AIR DUSTER 3000  
OFFICE DESK SET-BRICK  
GERALD'S DESK SET-SEARS  
DRAPERY TRACK-PAINT BOOTHS  
SPRAY BOOTH CURTAINS  
WEDGE CLAMP FLOOR POTS  
DUSTER 3000 DOWNDRAFT AIR FILTER SYSTEM  
WASH PACKAGE-RELAY DIST  
SPRAY BAKE CURTAINS  
FILE CABINET  
LARGE CORNER DESK  
LARGE CORNER HUTCH  
PV 90 PREP STATION  
CONNECT PREP STATION LIGHT  
5001 CARPET CLEANER  
10 HP AIR COMPRESSOR  
10 HP AIR COMPRESSOR  
CONNECT COMPRESSORS  
22' INSULATED VAN  
SHOP LAWN MOWER  
SAFE  
RECYCLER GUN CLEANER  
WELDING BLANKET  
MOVEABLE CABINETS  
MOVEABLE COUNTER  
SIZZAR RACK BUMPER STAND  
4 HP SEWER PUMP  
KARCHER SWEEPER  
NEW PAINT BOOTH  
1.5MM HBLP GRAV GUN & CUP  
VISUAL OPTICAL HEADLAMP AIMER  
ANGLE GRINDER  
SCREW AIR COMPRESSOR  
STRIPE REMOVAL TOOL  
EXHAUST FAN FOR PAINT BOOTH  
PANEL BEATER MACHINE  
SPECIAL MIGHTY MOVER  
WEDGE CLAMP SPOT WELDER  
PNEUMATIC DOOR SKIN TOOL  
TRISK HOT SPOT CURING LAMP  
ROLLING LADDER

AIR ANGLE POLISHER  
BOX STANDS  
BROTHER FAX MACHINE  
REAR BOOTH 24' EXPERT BOOTH 1.5BTU WIRING HARNESS  
TARGETS FOR FRAME ALIGNER  
WORKSTATION & HUTCH  
WELDER  
12V AMP CHARGER  
AIRLESS WELDER MODEL 5  
SHOP END FOR SHAMPOOER  
6 INDOOR COLOUR CAMERAS  
3 OUTDOOR CAMERAS  
CABLES, CORDS & LABOUR TO INSTALL CAMERAS  
2 TON SERVICE JACK  
DESK & HUTCH  
MILLERMATIC 135 WELDER  
16 CHANNEL SAMSUNG DVR  
NORCAN HYD PUMP  
AIR BAG JACK  
W/S ELECTRIC TOOL  
FABRICATOR CUTTING OUTFIT  
UNI-SPOTTER DELUXE KIT  
WELDER MIG MILLERMATIC 180 230  
INGLIS TOP MOUNT FRIDGE  
20' STORAGE SEACAN CONTAINER SN3378627  
PREP STATION PAINT BOOTH PLUS INSTALLATION  
SUPER STAND II FROM CARLSON  
PLASMA MACHINE 120-330V  
TRIPLE CHARCOAL FIL (PAINT ROOM MASK)  
GUN WASHER RECYCLER  
BACK DRAFT DAMPER  
2 TON SERVICE JACK  
JACK  
GRUNDFOSS UPS PUMP, 9 GAL TANK (HEATER BACK ROOM)  
HUCH 2025 TOOL + NOSE ASSY (HUCK TOOL RIVETER)  
ECO PLUS R13A A/C  
400 FLOOR DUSTER (3)  
~~DYSTON VACUUM~~  
VELOCITY SCANNER #152, VEL #002  
100 DS PANEL BEATER  
72" SKID STEER ATTACHMENTS  
COMPRESSOR 352, 200V AIR DRYER  
PRESSURE WASH PACKAGE  
WIRING FOR WASH PACKAGE  
EQUALIZER AMBUSH 20 VOLT TOOL (W/SHIELD KNIFE)  
USED IRT DRY LAMP  
CR 500 WELDER, 2250 CLAMP  
PANGER-TEST DENT PULLER  
SCANNER ASSEMBLY-V8 (CHIEF)  
WALL STORAGE UNITS  
M6X15 ALUM PQT200 & ATTACH AMH RIVETER-ALUM REPAIR STATION & REVETER

40 SER GOLIAT FRAME MACHINE  
T-HOT BOX PDR DENT REMOVER  
400 LAZER LOCK MEASURING SYSTEM  
PULSE WELDER  
PAINT GUN-PREPPER  
PHONE SYSTEM  
SCANNER DOCKING SATION  
300P MILLER WELDER SYNDASTY 200TIG  
SPOT WELDING DRILL  
ANTI STAT GUN  
A/C CONVERSION TANK  
4 STROKE HEDGE TRIMMER

Notes:

- Plus 2019 purchases:
  - Vanfax - windshield glass cut out tool;
  - Snap-On Business - Scanner (Toyota)
- Numerous small tools and equipment with value less than \$500 are not listed

**Class 8 Equipment – Saskatchewan Location**

MISC OFFICE EQUIPMENT  
TELEPHONES  
FILE CABINETS  
MULTI STORAGE UNIT  
71" I SHAPED UNIT & HUTCH  
HUCK RIVETTING GUN  
GENESIS ELECTRONIX MEASURING SYSTEM  
WORLD RACK 4000L 2twr  
CINCHES FOR FRAME RACK  
BEND-PAK 10000LB LIFT  
SHELVING  
RANGER 1/2 TON JACK  
LAWN MOWER  
WASHBAY PUMP  
PAINT MASK 484 TRIPLE W  
PREP ALUM ISOLATION MODULE  
WEDGE CLAMP PULLING SYS  
HD 30 HP COMP  
INF S/W DRYER  
DOOR JACK  
SUPER STAND 2  
GUN CLEANER  
ALLUM SAFE PRES MOD  
ALL SAFE-INSTAL COSTS  
2.5 EURO VAC PORT WET SCRUBBER  
36" MASKER  
VISION 2000 MASK  
DT3 DENT FIXER  
WELDER MIG WEL SINGLE

WELDER ALLUM MLD STN  
WURTH ERASER DBS 3600 GRINDER  
WINDSHIELD EQUAL AMBUSH 20V TOOL  
PAINT BOOTH SHOP CUTS CURBS  
PPS SUN GUN2 COL MATCH  
WELDER CR500 SPOT WELDER  
WORK BENCH ROUSSEAU WORK STN  
ROBINAIR EVAC UNIT  
30 PIECE TOOL BOARD  
HEADLAMP ALIGNMENT SYS  
WEDGW CLAMP FLOOR RAIL SYS  
ROTUNDA RIVET GUN  
SUPER STORAGE PARTS CART  
SATA JET 500 HVLP 1 4 DIG  
HOIST 10000 LB XPR 10A  
2 1550 LB DOLLY'S  
TT9091 3.5 GPM 2000PSI PUMP  
PREP STATION PAINT BOOTH  
STORACK RACK  
ULTRA PAINT STAND  
4 SEACAN CONTAINERS  
SHELF BRKTS GRINDER  
C-SHELF LUMBER  
NINJA 150 UPHOLSTERY  
ANDROID SCAN TOOL  
VISION 2000 FULL MASK  
WALL STORAGE  
TRUCK BED DOLLY  
A/C MACHINE  
VERTEX CTOF PAINT BOOTH

Notes:

Plus 2019 purchases:

- Snap-On Business - Scanner (Toyota)

#### **Class 50 Computers – Alberta Location**

COMPUTER DESK  
2 APC BACK UPS  
APC BACK UPS-500  
COMPUTER (PAINT ROOM)  
APC SMART UPS 1000 (SERVER)  
SAMSUNG 15" LCD MONITOR (SHOP OFFICE)  
HP DESKJET 6540 PRINTER (PARTS OFFICE)  
HP LASERJET PRINTER (SHOP OFFICE)  
1 VOSTRO SERVER (UPSTAIRS OFFICE)  
2 VOSTRO TOWERS @ \$2300 (FRONT DESK & SHOP OFFICE)  
1 POWER EDGE SERVER (UPSTAIRS OFFICE)  
2 OPTIPLEX DESKTOP TOWERS (ESTIMATING OFFICES)  
LENOV COMPUTER (PARTS MANAGER)  
DELL COMPUTER (BACK PARTS OFFICE)

ACER COMPUTER (FRONT OFFICE)  
DELL POWER EDGE SERVER

Notes:

- Plus 2019 purchases:
  - HP Tower hard drive
  - Acer Monitor
  
- Plus included:
  - 3 Acer Monitors
  - Xplio Monitor
  - 2 Asus Monitors
  - Dell Monitor
  - Omnitech Monitor
  - 2 Brother MFC-9340 printer/scanners
  - HP laserjet Pro MFP 227 printer/scanner
  - Brother HL5250DN printer
  - Epson ET3700 printer

#### **Class 50 Computers – Saskatchewan Location**

OPTI PLEX CMPT (MASON)  
2 PRINTERS  
DELL WORKSTATION (PARTS ROOM)

Notes:

Plus 2019 purchases:

- Acer Aspire TC330 hard drive
- Asus Monitor
- Brother MFC-L3770C DW printer/scanner

Plus included:

- Acer Aspire ES-15 Laptop
- 2 Brother MFC-9340CDW printer/scanners
- Computer used at front desk
- Samsung Monitor S24D360

**Vehicles – Alberta Location and Saskatchewan Location**

<b><u>Make and Model</u></b>	<b><u>Year</u></b>	<b><u>VIN</u></b>	<b><u>Whether Currently Registered and Province of Registration</u></b>
Ford F150 Lariat Supercrew 4WD pick-up	2014	1FTFX1EF1EKE74608	Registered in Alberta
IHC S1600 Garbage Truck		1HTLAZRM1KH627656	Not Registered
GMC 3500 HD CARD BOARD TRUCK	1998	1GBKC34J8WF055357	Registered in Alberta
Bobcat Skid Steer	1987	Unknown – Not Legible	Not Registered
S220 Bobcat Skid Steer	2007	530714169	Not Registered
Clark Forklift - Model C500Y60	1976	Y685-93-1213	Not Registered
Chevrolet HHR shop car	2009	3GCCCA85B89S582423	Registered in Saskatchewan
Chevrolet Silverado 3500 Garbage compactor truck	2002	1GBJC34G02F224782	Registered in Saskatchewan
GMC Sierra 1500 crew cab shop truck	2005	2GTEK13T851275929	Registered in Saskatchewan
GMC 3500 HD TRAILER TRUCK	1996	1GDKC34J9TJ517232	Registered in Saskatchewan
Sierra Ext cab Truck	1998	1GTEC19R9WE550877	Registered in Saskatchewan
GMC 2500 HD cardboard truck	2004	1GTHC24U74E386668	Not Registered



This **Guarantee** is made as of the 15<sup>th</sup> day of November, 2019.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
2199931 ALBERTA LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed  
NINE HUNDRED FIFTY-FIVE THOUSAND  
dollars in lawful money of Canada (Cdn. \$ 955,000.00), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



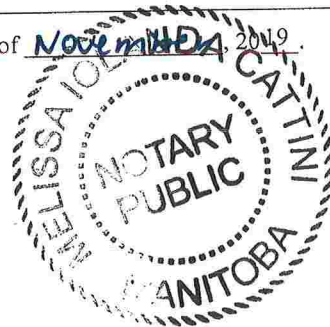
I HEREBY CERTIFY THAT:

1. Shane Daerden  
 the guarantor in the guarantee dated November 15, 2019  
 made between  
Shane Daerden  
 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
 he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by melissa cattini  
 Barrister and Solicitor at the

city of Winnipeg  
 in the Province of ~~Alberta~~, this 15 day of November, 2019  
manitoba

[Signature]  
 Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

[Signature]  
 Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

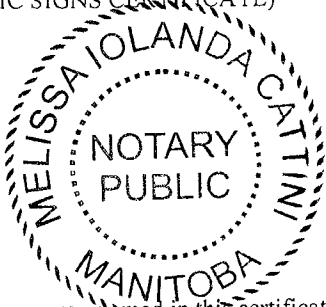
CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. Melissa Cattini of the City of Winnipeg in the province of Manitoba, the guarantor in the guarantee dated \_\_\_\_\_ made between The Toronto-Dominion Bank and Shane Daerden, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it;
3. I have not prepared any documents on behalf of the creditor, The Toronto-Dominion Bank, relating to the transaction and I am not otherwise interested in the transaction;
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at the City of Winnipeg this 15 day of NOVEMBER, 2019, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)



I am the person named in this certificate.

[Signature]

A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF MANITOBA

STATEMENT OF GUARANTOR

[Signature]

Signature of Guarantor



### **Eligible Borrower's Representations and Warranties**

Reference is made to the Letter Agreement between **The Toronto-Dominion Bank** (the "Lender") and **2199931 Alberta Ltd** (the "Eligible Borrower") on April 13, 2022 pursuant to which the Lender has made available to the Eligible Borrower a term loan (the "Financing").

This Financing is made possible with the financial support of the Business Development Bank of Canada ("BDC") guaranteeing such Financing.

To confirm the eligibility criteria to the Highly Affected Sectors Credit Availability Program ("HASCAP"), the Eligible Borrower represents, warrants and covenants, as applicable in favour of the Lender and BDC that:

- (a) The Eligible Borrower is (A) a Person (other than a natural Person) incorporated or formed under the laws of Canada or of a Canadian provincial or territorial jurisdiction; or (B) a natural Person operating a business under a sole proprietorship structure in Canada, which business's intent is to generate revenue from the sale of goods or services which is at least sufficient to cover its operating expenses and service of debt;
- (b) The Eligible Borrower is a client of the Lender (for which the Lender is or will become the Principal Senior Lender);
- (c) The Eligible Borrower is operating 2 Business Sites as of the date hereof;
- (d) Please check the applicable statement(s):
  - The copies of (A) the required confirmations for at least three months (which need not be consecutive) from the Canadian Revenue Agency evidencing application to the CEWS Program, CERS Program, CRHP Program, THRP Wage Program, THRP Rent Program, HHBRP Wage Program or HHBRP Rent Program provided to the Lender; and (B) the bank statements (or any other form of evidence acceptable to the Lender) evidencing receipt of subsidies, are true and correct copies of such confirmations and statements (or other forms of evidence), and same confirm that the Eligible Borrower is eligible to, has applied for and has received subsidies for at least three months (within the 240 day period prior to the date hereof) under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program, with each such month having a minimum 50% revenue decrease (as determined under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program);

OR

The Eligible Borrower:

(A) is not eligible to the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program for the following reasons (please check the applicable reasons for ineligibility under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program):

i. with respect to the CERS Program:

the business of the Eligible Borrower did not have a Canada Revenue Agency business number on September 27, 2020; or

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020;

ii. with respect to the CEWS Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020; and

iii. with respect to the CRHP Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on June 6, 2021; and

iv. with respect to the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on October 24, 2021;

(B) has experienced, within the 240-day period prior to the date of application for the Eligible Loan, a minimum 50% revenue decrease (on a year-over-year basis) for at least three months (which need not be consecutive);

(e) The Eligible Borrower does not have a revenue model that is economically dependent on non-commercial sources such as direct government grant funding or private donations;

(f) The Eligible Borrower has been, directly or indirectly, negatively impacted by the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

(g) The Eligible Borrower was financially viable prior to the impact of the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

(h) The Eligible Borrower:



- (i) is not a government organization or body (other than an indigenous entity or body);
- (ii) is not an entity in which a government organization or body (other than indigenous entities or bands) owns equity interests;
- (iii) is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or a Person in which any such organization owns equity interests (except if it is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue primarily from the regular supply of property/goods or services and not from non-commercial sources such as direct government grant funding or private donations);
- (iv) is not a religious organization, or a Person in which any such organization owns equity interests;
- (v) is not a fundraising vehicle for charities;
- (vi) is not a Person in which equity interests are held by any single current member of the Parliament of Canada or any single current member of the Senate of Canada other than a Person whose equity interests are publicly traded;
- (vii) does not operate any form of sexually exploitive business;
- (viii) does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;
- (ix) is not a Person who has (or who is related to Affiliates who have) (i) ever been determined to have committed tax evasion by any applicable judicial authority, including, for clarity, pursuant to sections 238 and 239 of the Income Tax Act (Canada) or of any other similar applicable provision of any Canadian federal or provincial statute(s) (or that has Affiliates which have been determined to have committed same) ("Tax Evasion"), nor (ii) been subject to any assertion or assessment by any governmental authority that the Eligible Borrower or its Affiliates engaged in Tax Evasion;
- (x) has not benefited (or is not in the process of benefiting) from HASCAP through a financial institution other than the Lender;
- (xi) has not benefited (or is not in the process of benefiting) from HASCAP for loans exceeding an initial principal amount, in the aggregate, of (A) \$1,000,000; multiplied by (B) the number of its qualifying Business Sites; and
- (xii) is not a member of a Group which has benefited (or is in the process of benefiting) from HASCAP for loans extended to one or more of the members of such Group by the Lender (and any other financial institution, as applicable) exceeding an initial principal amount, in the aggregate, of

CA\$6,250,000, except if the ultimate Controlling entity of the Eligible Borrower is an institutional investor.

- (i) The Financing will be incremental to the Lender's (or another financial institution's) current exposure with the Eligible Borrower and the proceeds from the Financing will only be used and, based on reasonable assumptions with respect to the COVID-19 pandemic and taking into account the subsidies and other credit currently available to the Borrower can reasonably be expected to be sufficient to fund the cash flow needs of operations (excluding, for certainty and without limitation, to fund distributions, payment of management fees, bonuses and similar instruments) for a period of time not exceeding 18 months following the date hereof; for certainty, the application of the proceeds from the Financing to (x) repay outstanding loans under an overdraft or operating facility will be permitted so long as the Lender's (or another financial institution's) commitment or authorized amount thereunder is not reduced (other than to the extent of temporary advances or borrowing excesses); (y) repay normally scheduled principal (which schedule of repayments was not accelerated since March 1, 2020) and interest payments on the Eligible Borrower's existing credits will be permitted; as well as (z) pay ordinary course of business lease, equipment or supplier financing payments will be permitted; for further certainty, the proceeds from the Financing will not be used (A) to make scheduled principal or interest payments that were due prior to the date hereof; (B) for repayment of outstanding loans on the maturity date thereof; or (C) to fund cash sweep payments under outstanding loans and similar types of payments.
- (j) Without derogating to any of the other limitations with respect to Distributions set out in the credit documentation pertaining to the Financing, the Eligible Borrower will not make, and will cause any other Person guaranteeing the Financing (an "Obligor") not to make, for the first 12-months following the date hereof, any Distribution other than:
  - (i) a Distribution by an Obligor to the Eligible Borrower;
  - (ii) a Distribution by an Obligor (other than the Eligible Borrower) to another Obligor; and
  - (iii) a Distribution in-lieu of salary made to shareholders involved directly in the operations of the Eligible Borrower, in an amount not exceeding historical Distributions for such purpose (and in no event exceeding \$200,000).
- (k) The Financing coupled with Eligible Borrower's existing liquidity and forecasted operational cash flow and subsidies (based on reasonable assumptions as to the COVID-19 pandemic) and credit currently available to the Eligible Borrower will enable a degree of continuity of the business of the Eligible Borrower during the current economic environment.
- (l) The financial statements delivered to the Lender for the purposes of the Financing are complete and correct in all material respects and fairly present the financial condition and results of operation of the Eligible Borrower and the guarantors as at their stated date, all in accordance with GAAP (except for year end notes and adjustments, if any).

- (m) The Eligible Borrower's historical free cash flow (for the period prior to March 1, 2020) would have been sufficient to service the Financing and based on reasonable assumptions as to the COVID-19 pandemic, the Eligible Borrower reasonably anticipates that its future free cash flow (together with the subsidies and credit currently available to it) will be sufficient to service the Financing.

For the purpose hereof:

- (a) **"Affiliate"** means, with respect to a Person, any other Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, that Person;
- (b) **"Business Sites"** means all distinct physical locations of the Eligible Borrower (i) where it is selling goods or providing services directly to the ultimate consumer public for use or consumption; and (ii) whose business operations and activities are (A) substantially identical in nature; and (B) related to the main core business of the Eligible Borrower;
- (c) **"Control"** (including any correlative term) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities or partnership or trust interests, by contract or otherwise); without limiting the generality of the foregoing (i) a Person is deemed to Control a corporation if such Person (or such Person and its Affiliates) holds outstanding shares or other rights carrying more than 50% of the voting power in the election of the board of directors of the corporation; (ii) a Person is deemed to Control a partnership if such Person (or such Person and its Affiliates) holds more than 50% in value of the equity of the partnership; (iii) a Person is deemed to Control a trust if such Person (or such Person and its Affiliates) holds more than 50% in value of the beneficial interests in the trust; and (iv) a Person that controls another Person is deemed to Control any Person controlled by that other Person;
- (d) **"Distribution"** means (i) any payment in cash or in kind that provides an income (including interest or dividends) or a return on, or constitutes a distribution or redemption or other retirement of, the equity or capital of a Person (other than a dividend paid by way of the issuance of new equity interests); (ii) any payment (principal and interest) on account of debt due to a shareholder, Affiliate, partner, director or officer of a Person (iii) earn-out payments owing to any shareholder, Affiliate, partner, director or officer of a Person; and (iv) any bonus, fee or like payment to any shareholder, partner, director or officer of a Person or a related party of a Person;
- (e) **"Group"** means, collectively, the Eligible Borrower and its Affiliates;
- (f) **"Person"** means any natural person, corporation, company, partnership, joint venture, limited liability company, unincorporated organization, trust or any other entity; and
- (g) **"Principal Senior Lender"** means, except as set out in the following provision, the primary lender or account or cash management bank of the Eligible Borrower which holds (or will hold in connection with the Financing) a first ranking general

security interest or hypothec on the personal or movable property of the Eligible Borrower (subject to such other liens over specific class of property which are incurred in the ordinary course of business); provided that for the Eligible Borrower with syndicated credit facilities or "club deal" credit facilities, (i) with respect to syndicated credit facilities, the Principal Senior Lender may be any Eligible Lender that is the administrative agent, the lender holding the largest commitment or the lead arranger under such facilities, provided that the same Principal Senior Lender provides the Financing to the Eligible Borrower on a bilateral basis; or (ii) with respect to "club deals" or other similar type of lending arrangements, the Principal Senior Lender will be the lender holding the largest commitment or outstanding loans under the Eligible Borrower's bilateral credit facilities (or if more than one lender holds the same largest amount of commitment (or outstanding loans), the Principal Senior Lender may be any one of those lenders), provided that the same Principal Senior Lender provides the Eligible Loan to the Eligible Borrower on a bilateral basis.

The Eligible Borrower acknowledges and agrees that this document constitutes a credit document for the purposes of the Financing. As such the Lender can require repayment of the Financing to the extent any of the representations and warranties and covenants made herein are untrue or misleading in any respect (i) as of the date hereof, (ii) as of the date of disbursement of advances of amounts under the Financing, and (iii) with respect to the representations and warranties and covenants in paragraphs (g) and (i), at any time prior to the repayment in full of all of the amounts owing under the Financing.

In connection with the Financing, the Eligible Borrower agrees, and cause its Affiliates, to provide, upon request from the Government of Canada (directly or through their Affiliates, agents, BDC or the Lender) additional reporting as deemed reasonably necessary.

The Eligible Borrower hereby acknowledges and agrees that (i) BDC (and the Government of Canada as shareholder of BDC) may make any disclosure identifying the Eligible Borrower, its guarantors and the Financing, including as to the fact that they have benefited from HASCAP and the amount of the Financing thereunder; and (ii) the Lender may disclose to BDC any information relating to the Eligible Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Lender to the Eligible Borrower.

SIGNED as of \_\_\_\_\_, 20\_\_\_\_.

2199931 Alberta Ltd

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

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



**TD Canada Trust**  
**Postponement and Assignment of**  
**Creditors Claim and Postponement of Security**

THIS AGREEMENT made this 15<sup>th</sup> day of November, 2019.

BETWEEN:

COLLISION KINGS GROUP INC.

(hereinafter called the Creditor)

2199931 ALBERTA LTD.

(hereinafter called the Company)

AND

**The Toronto-Dominion Bank**

(hereinafter called the Bank)

WHEREAS the Company is or may hereafter become indebted to the Bank.

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Company in carrying on its business and the Company is or may hereafter become indebted to the Creditor.

NOW THEREFORE in consideration of the Bank continuing to deal with the Company and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Creditor and the Company hereby agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings:

**"Bank Indebtedness"** means all obligations of the Company to the Bank, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Company or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Company under this Agreement for fees, costs and expenses.

**"Bank Security"** means all present and future security which the Bank has taken or may hereafter take in support of the Bank Indebtedness.

**"Creditor Indebtedness"** means all obligations of the Company to the Creditor, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Creditor and the Company or from other dealings or proceedings by which the Creditor may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or jointly with another or others and whether as a principal or surety, including all interest thereon.

**"Creditor Security"** means all present and future security which the Creditor has taken or may take in support of the Creditor Indebtedness.

2. **Postponement of Creditor Indebtedness.** The Creditor hereby postpones the repayment of the Creditor Indebtedness, in full, to the prior repayment of the Bank Indebtedness. The Company and the Creditor hereby agree with the Bank that:

- (a) the Company will not repay the Creditor Indebtedness;
- (b) the Creditor will not take any action to accelerate the maturity of the Creditor Indebtedness or exercise any remedies or take any action or proceeding to enforce the Creditor Indebtedness or the Creditor Security;
- (c) the Creditor will not file, or join with any other creditors of the Company in filing, any petition commencing any bankruptcy, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshalling of the assets and liabilities of the Company;

- (d) the Creditor will not accept any payment, whether principal, interest or otherwise on account of the Creditor Indebtedness and no satisfaction, consideration or security will be given to or accepted by the Creditor for any Creditor Indebtedness;

in each case, unless the prior written consent of the Bank has been obtained (which consent may be granted or withheld by the Bank in its sole and absolute discretion) or until such time as the Bank Indebtedness has been indefeasibly paid in full. Any payment on, or other consideration for, the Creditor Indebtedness that is received by the Creditor in violation of this Agreement will be held by the Creditor in trust for the benefit of, and shall forthwith be paid over to, the Bank. In no event shall the payment or distribution received by the Creditor be commingled with the other assets of the Creditor.

**3. Postponement of Creditor Security.** The Creditor hereby postpones and subordinates the Creditor Security in all respects to and in favour of the Bank Security, and acknowledges that the Bank Security ranks and will continue to rank in priority to the Creditor Security in respect of all of the property and assets of the Company covered by the Bank Security. The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, perfection or re-perfection of any of the Bank Security or Creditor Security; or  
(b) the date of any advance or advances made to the Company by the Bank or the Creditor; or  
(c) the date of default by the Company under any of the Bank Security or the Creditor Security or the dates of crystallization of any floating charges held by the Bank or the Creditor; or  
(d) any priority granted by any principle of law or any statute, including the Bank Act (Canada), or any personal property security or like statute.

Any insurance proceeds received by the Company, the Bank or the Creditor in respect of the assets of the Company charged by the Bank Security or the Creditor Security, shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all insurance proceeds received by the Company shall be held in trust by it for the benefit of the Bank and the Creditor, as the case may be, in accordance with the provisions hereof.

**4. Assignment.** The Creditor hereby assigns and transfers to the Bank by way of security for the Bank Indebtedness all Creditor Indebtedness.

**5. Acknowledgement and Agreement of the Company and the Creditor.** The Company hereby confirms to and agrees with the Bank and the Creditor that so long as the Company remains indebted to the Bank and the Creditor, it will stand possessed of its assets so charged for the Bank and the Creditor in accordance with their respective interests and priorities as herein set forth. The Creditor and the Company hereby confirm and agree that the terms of this Agreement will prevail over the terms of any other agreement between the Creditor and the Company regarding the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full.

**6. Restriction on Transfer and Amendments.** The Creditor will not, without the prior written consent of the Bank, sell, assign or otherwise transfer or dispose of, in whole or in part, voluntarily, involuntarily or by operation of law, all or any part of the Creditor Indebtedness or any interest therein to any other person or create, incur or suffer to exist any security interest, lien, charge or other encumbrance whatsoever upon all or any part of the Creditor Indebtedness in favour of any other person. In addition to the foregoing, the Creditor will not, without the prior written consent of the Bank, amend, modify, extend, accelerate, waive or otherwise change the terms of the Creditor Indebtedness or any part thereof or any Creditor Security held therefor.

**7. Acknowledgement of No Set-Off.** The Company and the Creditor acknowledge that the Creditor Indebtedness is not the subject of nor will it hereafter without the consent of the Bank be made the subject of any set-off or counter-claim by the Company.

**8. Bank Not Bound to Collect Creditor Indebtedness.** The Creditor shall duly and promptly take such action as the Bank may reasonably request in its sole discretion to collect amounts in respect of the Creditor Indebtedness and to file appropriate claims, proofs of claim or other instruments of similar character in respect of the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full. The Bank shall be authorized (in its own name or in the name of the Creditor), but shall have no obligation to, demand payment of the Creditor Indebtedness or any part thereof or take any proceeding to collect any Creditor Indebtedness or to enforce any Creditor Security in respect thereof.

**9. Bankruptcy of Company.** In the event of the bankruptcy or winding up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever, the Bank may prove in respect of the Creditor Indebtedness as a debt owing to it by the Company and the Bank shall be entitled to collect and receive any and all payments or distributions payable in respect thereof, such payments or distributions to be applied on such part or parts of the Bank Indebtedness as the Bank shall see fit until the whole of the Bank Indebtedness has been indefeasibly paid in full and thereafter the Creditor shall be entitled to such payments or distributions.

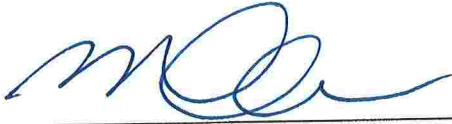
**10. Further Assurances.** The Company and the Creditor will, from time to time forthwith and at all times after the date of this Agreement, without further consideration, do such further acts and deliver such further instruments and documents, and take such further action, as the Bank may reasonably request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted, or intended to be granted, by, this Agreement.

11. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

12. *Acknowledgement.* The Creditor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

13. *Language Preference.* This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise á la demande de toutes les parties.)

**SIGNED, SEALED AND DELIVERED**



Witness:



Creditor Name:  
COLLISION KINGS GROUP INC.



Company Name:  
2199931 ALBERTA LTD.

Company Name:

The Toronto-Dominion Bank

**THIS IS EXHIBIT "32" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957-0029

September 2, 2020

2270683 ALBERTA LTD.  
52 Austin Street  
Winnipeg, Manitoba  
R3B 0Z7

Attention: Shane Daerden

Dear Shane:

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

**BORROWER**

2270683 ALBERTA LTD. (the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

**CREDIT LIMIT**

- 1) CAD\$800,000
- 2) CAD\$6,000,000

**TYPE OF CREDIT  
AND BORROWING  
OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
- 2) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
  - Fixed Rate Term Loan in CAD\$

- Floating Rate Term Loan available by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

### **PURPOSE**

- 1) To assist with working capital
- 2) To acquire the shares of CMD Holdings Ltd. and related entities

### **TENOR**

- 1) Uncommitted
- 2) Committed

### **CONTRACTUAL TERM**

- 1) No term
- 2) Up to 60 months from the date of drawdown

### **RATE TERM (FIXED RATE TERM LOAN)**

- 2) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 2) Floating rate: No term

### **AMORTIZATION**

- 2) 84 months

### **INTEREST RATES AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
  - Prime Based Loans: Prime Rate + 0.750% per annum
- 2) **Committed Reducing Term Facility:**
  - Fixed Rate Term Loans: as determined by the Bank, in its sole discretion, for the Rate Term
  - selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
  - Floating Rate Term Loans available by way of:
    - Prime Based Loans: Prime Rate + 1.250% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

**ARRANGEMENT  
FEE**

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD\$12,500.

**ADMINISTRATION  
FEE**

CAD\$150 per month.

**RENEWAL FEE**

CAD\$3,000 per annum.

**EXCESS MONITORING FEE**

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

**DRAWDOWN**

<b>Assigned Facilities</b>	<b>Description</b>
1)	On a revolving basis
2)	One time drawdown after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

**BUSINESS CREDIT  
SERVICE**

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 9352837 @ 6330 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 6330-5352837 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$1,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 1) | On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower. |
| 2) | All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.   |

### **PREPAYMENT**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 2) | The Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A. |
|----|---|

### **SECURITY**

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all CMD HOLDINGS INC. present and after acquired personal property
- b) General Security Agreement ("GSA") representing a First charge on all ARROW AUTO BODY LTD. present and after acquired personal property
- c) Guarantee of Advances

- Unlimited
  - Executed by ARROW AUTO BODY LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- d) General Security Agreement ("GSA") representing a First charge on all SUNRIDGE COLLISION LTD. present and after acquired personal property
- e) Guarantee of Advances
  - Unlimited
    - Executed by SUNRIDGE COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- f) General Security Agreement ("GSA") representing a First charge on all ROYAL VISTA COLLISION LTD. present and after acquired personal property
- g) Guarantee of Advances
  - Unlimited
    - Executed by ROYAL VISTA COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- h) General Security Agreement ("GSA") representing a First charge on all CMD GLASS LTD. present and after acquired personal property
- i) Guarantee of Advances
  - Unlimited
    - Executed by CMD GLASS LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- j) General Security Agreement ("GSA") representing a First charge on all EAST LAKE COLLISION LTD. present and after acquired personal property
- k) Guarantee of Advances
  - Unlimited
    - Executed by EAST LAKE COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- l) General Security Agreement ("GSA") representing a First charge on all MAYLAND HEIGHTS COLLISION LTD. present and after acquired personal property
- m) Guarantee of Advances
  - Unlimited
    - Executed by MAYLAND HEIGHTS COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- n) General Security Agreement ("GSA") representing a First charge on all STATHKO INVESTMENTS LTD. present and after acquired personal property
- o) Guarantee of Advances
  - Unlimited
    - Executed by STATHKO INVESTMENTS LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- p) Landlord's Letter of Non-Disturbance / Landlord's Waiver for the seven premises located located in Calgary at:
  - i) 2601 - 29<sup>th</sup> Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9<sup>th</sup> Avenue SW; iv) 2520B Centre Avenue NE;
  - v) 35 Royal Vista Drive NW; vi) 4600 - 112<sup>th</sup> Avenue SE; vii) 1803 - 11<sup>th</sup> Street SE

- q) Assignment of Fire Insurance
- r) Subordination Agreement and Priorities Agreement (inter-creditor agreement) inclusive of 120-day standstill period whereby CHRIS STATHONIKOS, MATTHEW STATHONIKOS, and DAVID STRETZ subordinate their security interest in CMD HOLDINGS INC., ARROW AUTO BODY LTD., SUNRIDGE COLLISION LTD., ROYAL VISTA COLLISION LTD., CMD GLASS LTD., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., and STATHKO INVESTMENTS LTD. in favor of the Bank.
- s) Share Pledge Agreement
- t) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- u) Guarantee of Advances
  - Unlimited
  - Executed by SHANE DAERDEN (the "Guarantor")
- v) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- w) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- x) Postponement and Assignment of Creditor's Claim executed by COLLISION KINGS GROUP INC.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT  
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

**Assigned  
Facilities Description**

- All)
  - 1) All security and documentation to be on hand and funds to be advanced via Solicitor to ensure Security is in first position.
  - 2) In-house July 31st financial statements for CMD Holdings Inc. with prior year comparable with no material adverse change and pro-forma compliance certificate indicating closing Senior Debt-to-Adjusted EBITDA test less than or equal to 3.00x and Fixed Charge Coverage "FCC" ratio test greater than or equal to 110%. Closing EBITDA is to be calculated based on trailing 12-month starting August 1, 2019 to month end July 31, 2020 and include permitted adjustments (add-backs) as agreed to by the Bank. At closing, and for the first three testing periods following closing, principal and cash interest in the denominator of the FCC shall be annualized to reflect a full year under facility

#2 and rolling 4 quarter thereafter.

3) Executed share purchase agreement with all schedules including, but not limited to, employment contracts if applicable, non-compete agreement, and promissory note agreement (Understanding that the advance to the solicitor can be based off the draft agreement, inclusive of the schedules, and undertaking to obtain the finalized executed copy post close)

4) Executed copies of lease agreements for the seven premises located in Calgary at:  
i) 2601 - 29th Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9th Avenue SW; iv) 2520B Centre Avenue NE; v) 35 Royal Vista Drive NW; vi) 4600 - 112th Avenue SE; vii) 1803 - 11th Street SE

5) Confirmation that outside equity to close comes from sources other than those subject to repayment and/or results in a default under any other credit agreement.

6) Environmental Due Diligence including but not limited to Environmental Management Social Risk Questionnaire for the seven premises located in Calgary at:

i) 2601 - 29th Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9th Avenue SW; iv) 2520B Centre Avenue NE; v) 35 Royal Vista Drive NW; vi) 4600 - 112th Avenue SE; vii) 1803 - 11th Street SE

7) Executed or, at a minimum, draft Carstar franchise agreement for 2270683 Alberta Ltd./CMD Holdings Inc.

## **REPRESENTATIONS AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

## **POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will provide:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Annual review engagement financial statements for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 120 calendar days of fiscal year end
All)	Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantor(s) and such supporting documentation as the Bank may reasonably request, and at minimum every three years
All)	Quarterly company prepared consolidated financial statements and compliance certificate for Bank covenants for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 45 calendar days of fiscal quarter end
All)	Annual consolidated review engagement financial statements and compliance certificate for Bank covenants for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 120 calendar days of fiscal year end

## **NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

<b>Assigned Facilities</b>	<b>Description</b>
All)	No acquisitions without prior written consent from the Bank.
All)	No additional debt without the prior written consent of the Bank.
All)	No management fees/distributions to be paid unless Fixed Charge Coverage and Senior Debt-to-Adjusted EBITDA complies both on a pre and post payment basis.
All)	The Borrower will not accelerate or prepay the amounts owing to the Vendors, or amend the Vendor Take Back note without the Bank's prior written consent. Vendor Take Back note is to be 3 years interest only then repaid annually in the amount of \$166,667 plus accrued interest. Notwithstanding the permitted payment scheduled Vendor payments to be suspended if any Bank covenant is not in compliance on a pre and post payment basis. Payments are able to resume once compliance has been restored.

## **PERMITTED LIENS**

Permitted Liens as referred to in Schedule "A" are:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%

## **FINANCIAL COVENANTS**

The Borrower agrees at all times to:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Maintain a consolidated Fixed Charge Coverage Ratio of 110%. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

(Adjusted EBITDA - Unfinanced Capex - Distributions - Cash Taxes) / (Scheduled Principal + Interest)

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and Internal expenses, plus non-recurring expenses as approved by the



Bank, less extraordinary gains, less non-cash gains and income.

Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal.

Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties withdrawal of capital.

Principal & Interest amount to include Vendor debt payments. At closing and for the first three testing periods following closing, principal and cash interest in the denominator shall be annualized to reflect a full year under Facility #2 and rolling four quarter thereafter.

Note: Testing to start from the end of first full quarter after closing.

All) Maintain a consolidated maximum Senior Debt-to-Adjusted EBITDA Ratio Covenant to be equal to or less than 3.25:1.00 at step-off, further reducing to 3.00:1.00 at July 31, 2021, then reducing to 2.75:1.00 by July 31, 2022 and thereafter. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

Maximum Senior Debt/Adjusted EBITDA

Senior Debt is defined as interest bearing debt for borrowed money including, but not limited to: (i) short term debt, (ii) long term debt including the current portion, (iii) capital leases, (vi) contingent guarantees, and (vii) negative mark-to-market exposure under hedging contracts excluding the following: (i) Vendor Take Back Note Payable, (ii) CEBA loans payable, and (iii) formally postponed shareholders' loans in favor of the Bank.

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and expenses, plus non-recurring expenses as approved by the Bank, less extraordinary gains, less non-cash gains and income.

Note: Testing to start from the end of first full quarter after closing.

## **EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

## **ANCILLARY FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$250,000.

## **AVAILABILITY OF OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

**AMENDMENTS TO  
SCHEDULE "A"  
TERMS AND  
CONDITIONS**

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **September 30, 2020.**

Yours truly,

**THE TORONTO-DOMINION BANK**



Steve Graham  
Relationship Manager



Jordan Mirwaldt  
Manager Commercial Services

**TO THE TORONTO-DOMINION BANK:**

2270683 ALBERTA LTD. hereby accepts the foregoing offer this 3 day of September, 2020. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

SHANG DAORONG (PRESIDENT)  
Print Name & Position

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Position

**cc. Guarantor(s)**

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

**SCHEDULE A**  
**STANDARD TERMS AND CONDITIONS**

**1. INTEREST RATE DEFINITIONS**

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

**2. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### **3. DRAWDOWN PROVISIONS**

#### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

#### **B/As**

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### **LIBOR and CDOR**

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

#### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

### **B/A, LIBOR and CDOR - Conversion**

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

### **B/A, LIBOR and CDOR – Market Disruption**

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

### **Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

### **Notice**

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

## **4. PREPAYMENT**

### **Fixed Rate Term Loans**

#### **10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity

of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **10% Prepayment Option Not Chosen.**

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **Floating Rate Term Loans**

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

#### **5. STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
  - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
  - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
  - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
  - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
  - v) All operation of account documentation; and
  - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

#### **6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:



- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

## **8. STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

## **9. ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

#### **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

## **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

## **12. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

## **13. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

## **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

## **15. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

## **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,

- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder,

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

#### **17. EXPENSES**

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

#### **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

#### **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

#### **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

## **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

## **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

## **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

## **24. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

## **25. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

## **26. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

## **27. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

## **28. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

*"All-In Rate"* means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

*"Agreement"* means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

*"Business Day"* means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

*"Branch/Centre"* means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

*"Contractual Term Maturity Date"* means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

*"Cross Default Threshold"* means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

*"Face Amount"* means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

*"Fixed Rate Term Loan"* means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

*"Floating Rate Loan"* means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

*"Inventory Value"* means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

*"Letter"* means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

*"Letter of Credit" or "L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

*"Letter of Guarantee" or "L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

*"Maturity Date"* for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

*"Person"* includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

*"Purchase Money Security Interest"* means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

*"Rate Term"* means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

*"Rate and Payment Terms Notice"* means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

*"Receivable Value"* means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

*"Receivables/Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

*"US\$" or "USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.



## MASTER REAFFIRMATION AGREEMENT

THIS MASTER REAFFIRMATION AGREEMENT (this "Agreement") is made as of September 16, 2020, by and among Arrow Auto Body Ltd. ("AAB"), Sunridge Collision Ltd. ("SC"), Royal Vista Collision Ltd. ("RVC"), CMD Glass Ltd. ("Glass"), East Lake Collision Ltd. ("ELC"), Mayland Heights Collision Ltd. ("MHC"), Stathko Investments Ltd. ("SI"), Collision Kings Group Inc. ("CKG"), [REDACTED], Shane Daerden ("Shane"), [REDACTED] and CMD Holdings Inc. ("Holdings" and, together with AAB, SC, RVC, Glass, ELC, MHC, SI, CKG, [REDACTED], Shane, [REDACTED] and [REDACTED], the "Obligors") in connection with, *inter alia*, certain financing arrangements among the Obligors and The Toronto-Dominion Bank ("TD"), and pursuant to a certain financing letter dated September 2, 2020 between 227 and TD (the "Financing Letter").

### WITNESSETH:

A. The Obligors have reviewed, consented to and executed various agreements, documents and instruments in connection with, *inter alia*, the Financing Letter, including, without limitation, the documents and instruments described in Schedule "A" hereto and described in the Financing Letter (in each case, as amended, supplemented, or otherwise modified from time to time, collectively, the "Existing Collateral Documents").

B. Due to an amalgamation of 2270683 Alberta Ltd. ("227") and Holdings, the Obligors have agreed to provide to TD this Agreement.

C. Each Obligor shall derive both direct and indirect additional benefits from the loans and other financial accommodations made pursuant to the Financing Letter.

NOW, THEREFORE, in consideration of the premises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, each of the undersigned hereby agrees as follows:

#### 1. Reaffirmation and Acknowledgment.

(a) Each Obligor, as borrower, debtor, grantor, mortgagor, pledgor, guarantor or assignor, or in any other similar capacities in which such person grants liens or security interests in its property or otherwise acts as an accommodation party or guarantor, as the case may be, in any case under the Financing Letter and the Existing Collateral Documents, hereby: (i) ratifies and reaffirms all of its payment, performance and observance obligations and liabilities, whether contingent or otherwise, under each of the Financing Letter and the Existing Collateral Documents to which it is a party; and (ii) to the extent such Obligor granted liens on or security interests in any of its property pursuant to any such Financing Letter and/or Existing Collateral Documents as security for the obligations owing to TD, and any other obligations, liability or indebtedness of such Obligor under or with respect to the Financing Letter and/or the Existing Collateral Documents (collectively, the "Obligations"), such Obligor hereby ratifies and reaffirms such grant of security and confirms and agrees that such liens and security interests hereafter secure all of the Obligations and any other obligations, liability or indebtedness of such

Obligor and the Obligors, as applicable under the Financing Letter, the Existing Collateral Documents, and otherwise.

(b) Each Obligor acknowledges receipt of a copy of the Financing Letter and the Existing Collateral Documents and acknowledges that each of the Financing Letter and the Existing Collateral Documents remains in full force and effect and hereby is ratified and confirmed. The execution and delivery of this Agreement, and the performance of the Obligors' obligations hereunder, shall not: (i) operate as a waiver of any right, power or remedy of TD; (ii) constitute a waiver of any provision of the Financing Letter and/or the Existing Collateral Documents; or (iii) constitute a novation of any of the Obligations and any other obligations, liability or indebtedness under the Financing Letter or the Existing Collateral Documents.

3. Representations and Warranties. Each Obligor hereby confirms to TD that the representations and warranties set forth in the Financing Letter and the Existing Collateral Documents, made by the Obligors, are true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of the date hereof (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date. Each Obligor hereby represents and warrants to TD that: (i) such Obligor has the requisite corporate, limited liability company or other (as applicable) power and authority, as applicable, to execute and deliver this Agreement and to perform its obligations hereunder; (ii) upon the execution and delivery hereof, this Agreement shall be valid, binding and enforceable upon such Obligor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity; (iii) the execution and delivery of this Agreement does not and shall not contravene, conflict with, violate or constitute a default under (A) the articles or certificate or incorporation, bylaws or other constituent documents of such Obligor, as applicable, (B) any provision of applicable law, to the extent such conflict referred to in this clause (B) would reasonably be expected to have a material adverse effect on such Obligor, or (C) any agreement, indenture, instrument or other document or any judgment, order or decree that is binding upon any Obligor or any of their subsidiaries or any of their respective properties, to the extent such conflict referred to in this clause (C) would reasonably be expected to have a material adverse effect on such Obligor; and (iv) no default or event of default exists under the Financing Letter or the Existing Collateral Documents.

4. Ratification of Liability; Effect. Each of the Financing Letter and the Existing Collateral Documents shall remain in full force and effect in accordance with their respective terms. Each Obligor hereby ratifies and confirms its liabilities, obligations and agreements under the Financing Letter and the Existing Collateral Documents, and acknowledges that: (i) as of the date hereof, such Obligor has no defenses, claims or set-offs to the enforcement of such liabilities, obligations and agreements; (ii) as of the date all obligations owing to the Obligors have been fully performed by the applicable party; and (iii) there has been no waiver, diminishment or limit to any term, condition or covenant contained in the Financing Letter or the Existing Collateral Documents.

5. Successors and Assigns. This Agreement shall be binding upon each Obligor and its successors and assigns and shall inure to the benefit of TD and its successors and assigns. The successors and assigns of each Obligor shall include, without limitation, their respective receivers, trustees or debtors-in-possession.

6. Definitions. All references to the singular shall be deemed to include the plural and vice versa where the context so requires.

7. Further Assurances. Each Obligor hereby agrees from time to time, as and when requested by TD, to execute and deliver or cause to be executed and delivered (or otherwise authorized), all such documents, instruments and agreements, and to take or cause to be taken such further or other action as are necessary or TD reasonably deems desirable in order to carry out the intent and purposes of this Agreement, the Financing Letter and/or the Existing Collateral Documents.

8. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF MANITOBA AND THE LAWS OF CANADA APPLICABLE THEREIN, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF LAWS OTHER THAN THOSE OF THE PROVINCE OF MANITOBA.

9. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10. Merger. This Agreement represents the final agreement of each Obligor with respect to the matters contained herein and may not be contradicted by evidence of prior or contemporaneous agreements, or prior or subsequent oral agreements, between the Obligors and TD.

11. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

12. Section Headings. The section headings herein are for convenience of reference only, and shall not affect in any way the interpretation of any of the provisions hereof.

**IN WITNESS WHEREOF**, this Agreement has been duly executed by the undersigned as of the day and year first set forth above.

**CMD HOLDINGS INC.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**COLLISION KINGS GROUP  
INC.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**ARROW AUTO BODY LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**SUNRIDGE COLLISION LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**ROYAL VISTA COLLISION LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**CMD GLASS LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT


**EAST LAKE COLLISION LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**MAYLAND HEIGHTS  
COLLISION LTD.**


Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

**STATHKO INVESTMENTS LTD.**

Per:   
Name: SHANE DAERDEN  
Title: PRESIDENT

  
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Witness



  
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SHANE DAERDEN

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Witness



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

Per:

Name: SHANE DAERDEN

Name: SHANE DAERDEN

Title: PRESIDENT

Title: PRESIDENT

**STATHKO INVESTMENTS LTD.**

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

Name: SHANE DAERDEN

Title: PRESIDENT

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Witness



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SHANE DAERDEN

  
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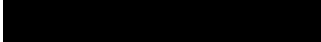
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Witness



**SCHEDULE "A"**

- 1. a General Security Agreement given by Holdings;
- 2. a General Security Agreement given by AAB;
- 3. a General Security Agreement given by SC;
- 4. a General Security Agreement given by RVC;
- 5. a General Security Agreement given by Glass;

## SCHEDULE "A"

1. a General Security Agreement given by Holdings;
2. a General Security Agreement given by AAB;
3. a General Security Agreement given by SC;
4. a General Security Agreement given by RVC;
5. a General Security Agreement given by Glass;
6. a General Security Agreement given by ELC;
7. a General Security Agreement given by MHC;
8. a General Security Agreement given by SI;
9. an unlimited Guarantee of the obligations of Holdings given by AAB;
10. an unlimited Guarantee of the obligations of Holdings given by SC;
11. an unlimited Guarantee of the obligations of Holdings given by RVC;
12. an unlimited Guarantee of the obligations of Holdings given by Glass;
13. an unlimited Guarantee of the obligations of Holdings given by ELC;
14. an unlimited Guarantee of the obligations of Holdings given by MHC;
15. an unlimited Guarantee of the obligations of Holdings given by SI;
16. an unlimited Guarantee of the obligations of Holdings given by [REDACTED];
17. an unlimited Guarantee of the obligations of Holdings given by Shane;
18. an unlimited Guarantee of the obligations of Holdings given by [REDACTED];
19. an unlimited Guarantee of the obligations of Holdings given by [REDACTED];
20. a Subordination and Priority Agreement given by, *inter alia*, 227, Holdings, AAB, SC, ELC, Glass, MHC, SI and RVC;
21. a Postponement and Assignment of Creditors Claim and Postponement of Security given by Holdings and CKG;

22. an Investment Property Pledge Agreement given by Holdings; and
23. an Assignment of Insurance given by Holdings.



**THIS IS EXHIBIT "33" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: CMD HOLDINGS INC.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or



expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 16<sup>th</sup> day of September, 2020 .

**CMD HOLDINGS INC.**

Per:   
\_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
\_\_\_\_\_  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of CMD HOLDINGS INC.

on the 14<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of CMD HOLDINGS INC.

on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: ARROW AUTO BODY LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

### 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;



- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distraint on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 11<sup>th</sup> day of September, 2020.

**ARROW AUTO BODY LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution



**SCHEDULE "A"**  
**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT


"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of ARROW AUTO BODY LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.

  
\_\_\_\_\_  
Secretary Shane Daerden, President C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of ARROW AUTO BODY LTD.  
\_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: SUNRIDGE COLLISION LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not obligate the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.



## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 11<sup>th</sup> day of September, 2020 .

**SUNRIDGE COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

**QUANTITY**

**DESCRIPTION**

**SERIAL NUMBER**

**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of SUNRIDGE COLLISION LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of SUNRIDGE COLLISION LTD.

on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S





TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: ROYAL VISTA COLLISION LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

### 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"*Branch of the Bank*" means the branch of the Bank located at the address specified above.

"*Business Day*" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"*Control Agreement*" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"*Person*" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.



- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 16<sup>th</sup> day of September, 2020.

**ROYAL VISTA COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

**QUANTITY**

**DESCRIPTION**

**SERIAL NUMBER**

**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of ROYAL VISTA COLLISION LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of ROYAL VISTA COLLISION LTD.

on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: CMD GLASS LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;



- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 16th day of September, 2020.

**CMD GLASS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.



RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of CMD GLASS LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of CMD GLASS LTD.

on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: EAST LAKE COLLISION LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distraint on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;



- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
  - (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
  - (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
  - (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
  - (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 16<sup>th</sup> day of September, 2020 .

**EAST LAKE COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

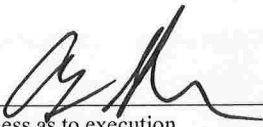
Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director he and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of EAST LAKE COLLISION LTD.

on the 16th day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of EAST LAKE COLLISION LTD.  
on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: MAYLAND HEIGHTS COLLISION LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

### 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;



- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"*Branch of the Bank*" means the branch of the Bank located at the address specified above.

"*Business Day*" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"*Control Agreement*" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"*Person*" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.



IN WITNESS WHEREOF the Grantor has executed this Agreement this 16<sup>th</sup> day of September, 2020 .

**MAYLAND HEIGHTS COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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


Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of MAYLAND HEIGHTS COLLISION LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



Secretary Shane Daerden, President

C/S

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of MAYLAND HEIGHTS COLLISION LTD.  
on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street Concourse Level, Winnipeg, MB, R3C 3Z8

Granted By: STATHKO INVESTMENTS LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

*"Branch of the Bank"* means the branch of the Bank located at the address specified above.

*"Business Day"* means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

*"Control Agreement"* means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

*"Person"* means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and



- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby


### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 16<sup>th</sup> day of September, 2020.

**STATHKO INVESTMENTS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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


Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of STATHKO INVESTMENTS LTD.

on the 16<sup>th</sup> day of September, 2020 and that the said Resolution is now in full force and effect.



~~Secretary~~ Shane Daerden, President

C/S



RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
  
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of STATHKO INVESTMENTS LTD.

on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.



**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

SUNRIDGE COLLISION LTD.

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

ROYAL VISTA COLLISION LTD.

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_





This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constituting documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD GLASS LTD.**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.



## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

### **1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

### **2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

### **3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

### **4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

## **7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

## **8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

## **9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## **10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

## **11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

## **12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

## **13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

## **14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**MAYLAND HEIGHTS COLLISION LTD.**

**Personal Guarantee**

Per: \_\_\_\_\_  
(authorized signature)

Signature of Guarantor: 

Print name: Shane Daerden

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

[Name of Guarantor]

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Per: \_\_\_\_\_  
(authorized signature)

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

[Name of Guarantor]

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Per: \_\_\_\_\_  
(authorized signature)

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

[Name of Guarantor]

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**STATHKO INVESTMENTS LTD.**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

## **SUBORDINATION AND PRIORITY AGREEMENT**

---

**THIS AGREEMENT DATED SEPTEMBER 16, 2020.**

**AMONG:**

**CHRISTOS STATHONIKOS FAMILY TRUST, MATTHEW STATHONIKOS FAMILY TRUST, DAVID STRETZ FAMILY TRUST, DOMNA INVESTMENTS INC., 1427916 ALBERTA INC., and 1427913 ALBERTA INC.** (collectively, the “**Vendor**”)

**AND:**

**THE TORONTO-DOMINION BANK**  
(the “**Lender**”)

**AND:**

**2270683 ALBERTA LTD., CMD HOLDINGS INC., ARROW AUTO BODY LTD., SUNRIDGE COLLISION LTD., EAST LAKE COLLISION LTD., CMD GLASS LTD., MAYLAND HEIGHTS COLLISION LTD., STATHKO INVESTMENTS LTD., and ROYAL VISTA COLLISION LTD.**

(collectively, the “**Customer**”)

**WHEREAS:**

A. The Customer (and each party comprising the Customer) may or has granted or agreed to grant to the Vendor certain guarantees and a security interest(s) in all of the Customer’s present and after-acquired real and personal property, and/or such other security as the Vendor may from time to time receive from the Customer (or any of them) to secure present and future debts and obligations of the Customer (or any of them), both direct and indirect, to the Vendor (collectively, the “**Vendor Security**”);

B. The Customer (and each party comprising the Customer) may or has granted or agreed to grant to the Lender certain guarantees and a security interest(s) in all of the Customer’s present and after-acquired real and personal property, and/or such other security as the Lender may from time to time receive from the Customer (or any of them) to secure present and future debts and obligations of the Customer (or any of them), both direct and indirect, to the Lender (collectively, the “**Lender Security**”); and

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the Vendor Security and the Lender Security;

**NOW THEREFORE** in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto covenant and agree as follows:

**ARTICLE 1 - ACKNOWLEDGEMENT**

- 1.01 The Vendor hereby acknowledges its consent to the creation and issue by the Customer to the Lender of the Lender Security and to the incurring by the Customer (or any of them) of the indebtedness evidenced thereby.
- 1.02 The Lender hereby acknowledges its consent to the creation and issue by the Customer to the Vendor of the Vendor Security and to the incurring by the Customer (or any of them) of the indebtedness evidenced thereby.

**ARTICLE 2 - INTERPRETATION**

- 2.01 The preamble hereto forms an integral part of this Agreement.

**ARTICLE 3 - PRIORITIES**

- 3.01 The Vendor Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to all of the Customer's present and after-acquired property, both real and personal, to the extent of the Customer's (or any of them) indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith, including legal fees on a solicitor and his own client basis.
- 3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by the Vendor or the Lender;
  - (b) the date of any advance or advances made to the Customer (or any of them) by the Lender or the Vendor (or any of them);
  - (c) the date of default by the Customer (or any of them) under any of the Vendor Security or the Lender Security or the dates of crystallization of any floating charges held by the Vendor or the Lender;
  - (d) the date(s) any demand(s) for payment are made, the date(s) any notice(s) are given and any failure to make or give such demand(s) or notice(s);
  - (e) the times of realization upon the property subject to the Lender Security or the Vendor Security, or any part of parts thereof; or
  - (f) any priority granted by any principle of law or any statute including, without limitation, and personal property security legislation.
- 3.03 Any proceeds, including, without limitation, any insurance proceeds received by the Customer (or any of them), the Vendor (or any of them) or the Lender in respect of the

collateral charged by the Vendor Security and/or the Lender Security shall be dealt with according to the preceding provisions hereof as though such proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.

- 3.04 If any of the Vendor Security or the Lender Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim and has provided the other party with a satisfactory indemnity.
- 3.05 The Customer and, as applicable, the Vendor, shall permit the Lender and its employees, agents and contractors, access at all reasonable times to any property and assets of the Customer (or any of them) and shall permit the Lender to remove such property and assets from the premises of the Customer (or any of them), at all reasonable times without interference, provided that the Lender shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 The Vendor hereby acknowledges that all advances by the Lender to the Customer (or any of them) from time to time shall have full priority over any amount owed or owing to the Vendor by the Customer (or any of them), to the same effect as if the advances made by the Lender were secured and advanced prior to the advance of any monies secured by the Vendor Security and the registration of the Vendor Security.
- 3.07 Each of the Lender and the Vendor shall advise the other in writing of: (a) any occurrence of an event which constitutes or with notice or lapse of time or both would constitute an event of default under any agreement between the Lender and the Customer (or any of them) or the Vendor (or any of them) and the Customer (or any of them) or which otherwise entitles the either of the Lender or the Vendor to enforce the its security (a "**Customer Default**"); and (b) any waiver by either the Lender or the Vendor of any Customer Default or anticipated Customer Default;

within five (5) days of the occurrence of such event or waiver, as the case may be. Further, the Vendor hereby agrees that it may not amend, assign or transfer any of the Vendor Security, any agreement evidencing or otherwise relating to the indebtedness owing by the Customer (or any of them) to the Vendor, or any other agreement between the Vendor and the Customer, without Lender's prior written consent, which may be withheld in the sole discretion of the Lender.

- 3.08 Each of the parties hereto covenant and agree that the Customer (or any of them) shall not pay or deliver to the Vendor (or any of them), nor shall the Vendor (or any of them) be entitled to receive, any payment, prepayment, set-off or otherwise, any payment amount (whether on account of principal or interest), credit or reduction of all or any part of the Vendor Security or any security therefor during a Customer Default, and any amounts so received by the Vendor (or any of them) will be held in trust for the Lender and immediately paid over to the Lender.

- 3.09 The Vendor agrees that until full repayment and satisfaction of all indebtedness and obligations secured by the Lender Security, the Vendor (or any of them) will not take any steps to enforce any of its rights or remedies under or in connection with the Vendor Security, unless the Vendor has provided one hundred twenty (120) days' prior written notice to the Lender of its intention to take steps to enforce any of its rights or remedies, and has provided the Lender with an opportunity to correct any Customer Default (or otherwise) which gives rise to the proposed enforcement.

#### **ARTICLE 4 - COVENANTS OF THE CUSTOMER**

- 4.01 The Customer hereby confirms to and agrees with the Vendor and the Lender that so long as any of the indebtedness of the Customer to the Lender and the Vendor remains outstanding, it shall stand possessed of its assets so charged for the Vendor and the Lender in accordance with their respective interests and priorities as herein set out.

#### **ARTICLE 5 - GENERAL**

- 5.01 From time to time upon request therefor the Vendor and the Lender may advise each other of the particulars of the indebtedness and liability of the Customer to each other and all security held by each therefor.
- 5.02 The Vendor agrees that it will not transfer or assign any of its guarantees or security from the Customer without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement, which agreement to be bound shall be approved by the Lender.
- 5.03 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered by email (and deemed to be duly given on the date sent if properly addressed and sent by electronic transmission below) to the parties hereto as follows:

for the Vendor:

Address:  
Attention:  
Email:

for the Lender:

Address: 360 Main Street, Suite 2050, Winnipeg, Manitoba, R3C 3Z3  
Attention: Steve Graham  
Email: [stephen.graham@td.com](mailto:stephen.graham@td.com)

- 5.04 Each of the Customer (or any of them), the Vendor (or any of them) and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement; provided however, that no consent of the Customer shall be necessary to any amendment of the




terms hereof by the Vendor and the Lender unless the interests of the Customer are directly affected thereby.


- 5.05 Each of the parties hereto confirms that: (i) it has all requisite power and authority to enter into and perform its obligations under this Agreement; (ii) this Agreement has been duly executed and delivered by such party; and (iii) all action(s) on the part of such party necessary for the authorization, execution, delivery and performance by such party of this Agreement have been taken.
- 5.06 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
- 5.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5.08 This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers on the date set out above.


**CHRISTOS STATHONIKOS FAMILY TRUST**

Per:   
Name: Chris Stathonikos, as Trustee  
I have the authority to bind the Trust.


**MATTHEW STATHONIKOS FAMILY TRUST**

Per:   
Name: Matthew Stathonikos, as Trustee  
I have the authority to bind the Trust.


**DAVID STRETZ FAMILY TRUST**

Per:   
Name: David Stretz, as Trustee  
I have the authority to bind the Trust.

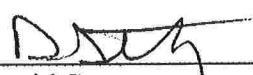
**DOMNA INVESTMENTS INC.**

Per:   
Name: Chris Stathonikos  
I have the authority to bind the Corporation.


**1427916 ALBERTA INC.**

Per:   
Name: Matthew Stathonikos  
I have the authority to bind the Corporation.

**1427913 ALBERTA INC.**

Per:   
Name: David Stretz  
I have the authority to bind the Corporation.

**2270683 ALBERTA LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**ARROW AUTO BODY LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.


**EAST LAKE COLLISION LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**MAYLAND HEIGHTS COLLISION LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**ROYAL VISTA COLLISION LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**CMD HOLDINGS INC.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**SUNRIDGE COLLISION LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.


**CMD GLASS LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**STATHKO INVESTMENTS LTD.**

Per:   
Name: SHANE DAERDEN, PRESIDENT  
I have the authority to bind the Corporation.

**THE TORONTO-DOMINION BANK**

Per:   
Name:  
I have the authority to bind the Corporation.

Per: \_\_\_\_\_  
Name:  
I have the authority to bind the Corporation.



This **Guarantee** is made as of the 16<sup>th</sup> day of September, 2020.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
CMD HOLDINGS INC.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor:  \_\_\_\_\_

Print name: Shane Daerden

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

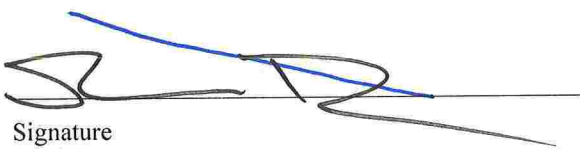



I HEREBY CERTIFY THAT:

1. Shane Daerden,  
 the guarantor in the guarantee dated September 16/20  
 made between  
Shane Daerden  
 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
 he/she had executed the guarantee.

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

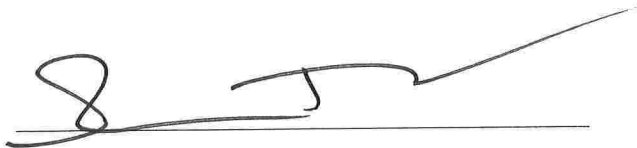
CERTIFIED by AMY GELHORN,  
 Barrister and Solicitor at the  
 CITY \_\_\_\_\_ of WINNIPEG,  
 in the Province of MANITOBA, this 16th day of September 2020.

  
 Signature



**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

  
 Signature of Guarantor





**TD Canada Trust**  
**Postponement and Assignment of**  
**Creditors Claim and Postponement of Security**

THIS AGREEMENT made this 11<sup>th</sup> day of September, 2020.

BETWEEN:

COLLISION KINGS GROUP INC.

(hereinafter called the Creditor)

CMD HOLDINGS INC.

(hereinafter called the Company)

AND

**The Toronto-Dominion Bank**

(hereinafter called the Bank)

WHEREAS the Company is or may hereafter become indebted to the Bank.

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Company in carrying on its business and the Company is or may hereafter become indebted to the Creditor.

NOW THEREFORE in consideration of the Bank continuing to deal with the Company and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Creditor and the Company hereby agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings:

**"Bank Indebtedness"** means all obligations of the Company to the Bank, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Company or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Company under this Agreement for fees, costs and expenses.

**"Bank Security"** means all present and future security which the Bank has taken or may hereafter take in support of the Bank Indebtedness.

**"Creditor Indebtedness"** means all obligations of the Company to the Creditor, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Creditor and the Company or from other dealings or proceedings by which the Creditor may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or jointly with another or others and whether as a principal or surety, including all interest thereon.

**"Creditor Security"** means all present and future security which the Creditor has taken or may take in support of the Creditor Indebtedness.

2. **Postponement of Creditor Indebtedness.** The Creditor hereby postpones the repayment of the Creditor Indebtedness, in full, to the prior repayment of the Bank Indebtedness. The Company and the Creditor hereby agree with the Bank that:

- (a) the Company will not repay the Creditor Indebtedness;
- (b) the Creditor will not take any action to accelerate the maturity of the Creditor Indebtedness or exercise any remedies or take any action or proceeding to enforce the Creditor Indebtedness or the Creditor Security;
- (c) the Creditor will not file, or join with any other creditors of the Company in filing, any petition commencing any bankruptcy, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshalling of the assets and liabilities of the Company;

(d) the Creditor will not accept any payment, whether principal, interest or otherwise on account of the Creditor Indebtedness and no satisfaction, consideration or security will be given to or accepted by the Creditor for any Creditor Indebtedness;

in each case, unless the prior written consent of the Bank has been obtained (which consent may be granted or withheld by the Bank in its sole and absolute discretion) or until such time as the Bank Indebtedness has been indefeasibly paid in full. Any payment on, or other consideration for, the Creditor Indebtedness that is received by the Creditor in violation of this Agreement will be held by the Creditor in trust for the benefit of, and shall forthwith be paid over to, the Bank. In no event shall the payment or distribution received by the Creditor be commingled with the other assets of the Creditor.

**3. Postponement of Creditor Security.** The Creditor hereby postpones and subordinates the Creditor Security in all respects to and in favour of the Bank Security, and acknowledges that the Bank Security ranks and will continue to rank in priority to the Creditor Security in respect of all of the property and assets of the Company covered by the Bank Security. The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, perfection or re-perfection of any of the Bank Security or Creditor Security; or
- (b) the date of any advance or advances made to the Company by the Bank or the Creditor; or
- (c) the date of default by the Company under any of the Bank Security or the Creditor Security or the dates of crystallization of any floating charges held by the Bank or the Creditor; or
- (d) any priority granted by any principle of law or any statute, including the Bank Act (Canada), or any personal property security or like statute.

Any insurance proceeds received by the Company, the Bank or the Creditor in respect of the assets of the Company charged by the Bank Security or the Creditor Security, shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all insurance proceeds received by the Company shall be held in trust by it for the benefit of the Bank and the Creditor, as the case may be, in accordance with the provisions hereof.

**4. Assignment.** The Creditor hereby assigns and transfers to the Bank by way of security for the Bank Indebtedness all Creditor Indebtedness.

**5. Acknowledgement and Agreement of the Company and the Creditor.** The Company hereby confirms to and agrees with the Bank and the Creditor that so long as the Company remains indebted to the Bank and the Creditor, it will stand possessed of its assets so charged for the Bank and the Creditor in accordance with their respective interests and priorities as herein set forth. The Creditor and the Company hereby confirm and agree that the terms of this Agreement will prevail over the terms of any other agreement between the Creditor and the Company regarding the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full.

**6. Restriction on Transfer and Amendments.** The Creditor will not, without the prior written consent of the Bank, sell, assign or otherwise transfer or dispose of, in whole or in part, voluntarily, involuntarily or by operation of law, all or any part of the Creditor Indebtedness or any interest therein to any other person or create, incur or suffer to exist any security interest, lien, charge or other encumbrance whatsoever upon all or any part of the Creditor Indebtedness in favour of any other person. In addition to the foregoing, the Creditor will not, without the prior written consent of the Bank, amend, modify, extend, accelerate, waive or otherwise change the terms of the Creditor Indebtedness or any part thereof or any Creditor Security held therefor.

**7. Acknowledgement of No Set-Off.** The Company and the Creditor acknowledge that the Creditor Indebtedness is not the subject of nor will it hereafter without the consent of the Bank be made the subject of any set-off or counter-claim by the Company.

**8. Bank Not Bound to Collect Creditor Indebtedness.** The Creditor shall duly and promptly take such action as the Bank may reasonably request in its sole discretion to collect amounts in respect of the Creditor Indebtedness and to file appropriate claims, proofs of claim or other instruments of similar character in respect of the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full. The Bank shall be authorized (in its own name or in the name of the Creditor), but shall have no obligation to, demand payment of the Creditor Indebtedness or any part thereof or take any proceeding to collect any Creditor Indebtedness or to enforce any Creditor Security in respect thereof.

**9. Bankruptcy of Company.** In the event of the bankruptcy or winding up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever, the Bank may prove in respect of the Creditor Indebtedness as a debt owing to it by the Company and the Bank shall be entitled to collect and receive any and all payments or distributions payable in respect thereof, such payments or distributions to be applied on such part or parts of the Bank Indebtedness as the Bank shall see fit until the whole of the Bank Indebtedness has been indefeasibly paid in full and thereafter the Creditor shall be entitled to such payments or distributions.


**10. Further Assurances.** The Company and the Creditor will, from time to time forthwith and at all times after the date of this Agreement, without further consideration, do such further acts and deliver such further instruments and documents, and take such further action, as the Bank may reasonably request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted, or intended to be granted, by, this Agreement.

11. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

12. **Acknowledgement.** The Creditor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

13. **Language Preference.** This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise à la demande de toutes les parties.)

**SIGNED, SEALED AND DELIVERED**

  
\_\_\_\_\_  
Witness:

  
\_\_\_\_\_  
Creditor Name:  
COLLISION KINGS GROUP INC.

  
\_\_\_\_\_  
Company Name:  
CMD HOLDINGS INC.

\_\_\_\_\_  
Company Name:

\_\_\_\_\_  
The Toronto-Dominion Bank

**THIS IS EXHIBIT "34" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957-0029

September 2, 2020

2270683 ALBERTA LTD.  
52 Austin Street  
Winnipeg, Manitoba  
R3B 0Z7

Attention: Shane Daerden

Dear Shane:

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

**BORROWER**

2270683 ALBERTA LTD. (the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

**CREDIT LIMIT**

- 1) CAD\$800,000
- 2) CAD\$6,000,000

**TYPE OF CREDIT  
AND BORROWING  
OPTIONS**

- 1) **Operating Loan** available at the Borrower's option by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")
- 2) **Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:
  - Fixed Rate Term Loan in CAD\$

- Floating Rate Term Loan available by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

### **PURPOSE**

- 1) To assist with working capital
- 2) To acquire the shares of CMD Holdings Ltd. and related entities

### **TENOR**

- 1) Uncommitted
- 2) Committed

### **CONTRACTUAL TERM**

- 1) No term
- 2) Up to 60 months from the date of drawdown

### **RATE TERM (FIXED RATE TERM LOAN)**

- 2) Fixed rate: 6 month, 12-60 months but never to exceed the Contractual Term Maturity Date
- 2) Floating rate: No term

### **AMORTIZATION**

- 2) 84 months

### **INTEREST RATES AND FEES**

Advances shall bear interest and fees as follows:

- 1) **Operating Loan:**
  - Prime Based Loans: Prime Rate + 0.750% per annum
- 2) **Committed Reducing Term Facility:**
  - Fixed Rate Term Loans: as determined by the Bank, in its sole discretion, for the Rate Term
  - selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.
  - Floating Rate Term Loans available by way of:
    - Prime Based Loans: Prime Rate + 1.250% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

**ARRANGEMENT  
FEE**

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of CAD\$12,500.

**ADMINISTRATION  
FEE**

CAD\$150 per month.

**RENEWAL FEE**

CAD\$3,000 per annum.

**EXCESS MONITORING FEE**

The Borrower may, at the Bank's discretion, be charged an Excess Monitoring Fee of \$250.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

**DRAWDOWN**

<b>Assigned Facilities</b>	<b>Description</b>
1)	On a revolving basis
2)	One time drawdown after which time, any amount not drawn is cancelled. Amounts repaid may not be redrawn.

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

**BUSINESS CREDIT  
SERVICE**

The Borrower will have access to the Operating Loan (Facility 1) via Loan Account Number 9352837 @ 6330 (the "Loan Account") up to the Credit Limit of the Operating Loan by withdrawing funds from the Borrower's Current Account Number 6330-5352837 (the "Current Account"). The Borrower agrees that each advance from the Loan Account will be in an amount equal to \$1,000 (the "Transfer Amount") or a multiple thereof. If the Transfer Amount is NIL, the Borrower agrees that an advance from the Borrower's Loan Account may be in an amount sufficient to cover the debits made to the Current Account.

The Borrower agrees that:

- a) all other overdraft privileges which have governed the Borrower's Current Account are hereby cancelled.
- b) all outstanding overdraft amounts under any such other agreements are now included in indebtedness under this Agreement.

The Bank may, but is not required to, automatically advance the Transfer Amount or a multiple thereof or any other amount from the Loan Account to the Current Account in order to cover the debits made to the Current Account if the amount in the Current Account is insufficient to cover the debits. The Bank may, but is not required to, automatically and without notice apply the funds in the Current Account in amounts equal to the Transfer Amount or any multiple thereof or any other amount to repay the outstanding amount in the Loan Account.

### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 1) | On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower. |
| 2) | All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The drawdown will be repaid in equal monthly payments. The details of repayment and interest rate applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to that drawdown. Any amounts repaid may not be reborrowed.   |

### **PREPAYMENT**

<b>Assigned Facilities</b>	<b>Description</b>
--------------------------------	--------------------

- |    |   |
|----|---|
| 2) | The Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A. |
|----|---|

### **SECURITY**

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- a) General Security Agreement ("GSA") representing a First charge on all CMD HOLDINGS INC. present and after acquired personal property
- b) General Security Agreement ("GSA") representing a First charge on all ARROW AUTO BODY LTD. present and after acquired personal property
- c) Guarantee of Advances



- Unlimited
  - Executed by ARROW AUTO BODY LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- d) General Security Agreement ("GSA") representing a First charge on all SUNRIDGE COLLISION LTD. present and after acquired personal property
- e) Guarantee of Advances
  - Unlimited
    - Executed by SUNRIDGE COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- f) General Security Agreement ("GSA") representing a First charge on all ROYAL VISTA COLLISION LTD. present and after acquired personal property
- g) Guarantee of Advances
  - Unlimited
    - Executed by ROYAL VISTA COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- h) General Security Agreement ("GSA") representing a First charge on all CMD GLASS LTD. present and after acquired personal property
- i) Guarantee of Advances
  - Unlimited
    - Executed by CMD GLASS LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- j) General Security Agreement ("GSA") representing a First charge on all EAST LAKE COLLISION LTD. present and after acquired personal property
- k) Guarantee of Advances
  - Unlimited
    - Executed by EAST LAKE COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- l) General Security Agreement ("GSA") representing a First charge on all MAYLAND HEIGHTS COLLISION LTD. present and after acquired personal property
- m) Guarantee of Advances
  - Unlimited
    - Executed by MAYLAND HEIGHTS COLLISION LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- n) General Security Agreement ("GSA") representing a First charge on all STATHKO INVESTMENTS LTD. present and after acquired personal property
- o) Guarantee of Advances
  - Unlimited
    - Executed by STATHKO INVESTMENTS LTD. (the "Guarantor") in favor of CMD HOLDINGS INC.
- p) Landlord's Letter of Non-Disturbance / Landlord's Waiver for the seven premises located located in Calgary at:
  - i) 2601 - 29<sup>th</sup> Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9<sup>th</sup> Avenue SW; iv) 2520B Centre Avenue NE;
  - v) 35 Royal Vista Drive NW; vi) 4600 - 112<sup>th</sup> Avenue SE; vii) 1803 - 11<sup>th</sup> Street SE

- q) Assignment of Fire Insurance
- r) Subordination Agreement and Priorities Agreement (inter-creditor agreement) inclusive of 120-day standstill period whereby CHRIS STATHONIKOS, MATTHEW STATHONIKOS, and DAVID STRETZ subordinate their security interest in CMD HOLDINGS INC., ARROW AUTO BODY LTD., SUNRIDGE COLLISION LTD., ROYAL VISTA COLLISION LTD., CMD GLASS LTD., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., and STATHKO INVESTMENTS LTD. in favor of the Bank.
- s) Share Pledge Agreement
- t) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- u) Guarantee of Advances
  - Unlimited
  - Executed by SHANE DAERDEN (the "Guarantor")
- v) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- w) Guarantee of Advances
  - Unlimited
  - Executed by [REDACTED] (the "Guarantor")
- x) Postponement and Assignment of Creditor's Claim executed by COLLISION KINGS GROUP INC.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

**DISBURSEMENT  
CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

**Assigned  
Facilities    Description**

- All)
  - 1) All security and documentation to be on hand and funds to be advanced via Solicitor to ensure Security is in first position.
  - 2) In-house July 31st financial statements for CMD Holdings Inc. with prior year comparable with no material adverse change and pro-forma compliance certificate indicating closing Senior Debt-to-Adjusted EBITDA test less than or equal to 3.00x and Fixed Charge Coverage "FCC" ratio test greater than or equal to 110%. Closing EBITDA is to be calculated based on trailing 12-month starting August 1, 2019 to month end July 31, 2020 and include permitted adjustments (add-backs) as agreed to by the Bank. At closing, and for the first three testing periods following closing, principal and cash interest in the denominator of the FCC shall be annualized to reflect a full year under facility

#2 and rolling 4 quarter thereafter.

3) Executed share purchase agreement with all schedules including, but not limited to, employment contracts if applicable, non-compete agreement, and promissory note agreement (Understanding that the advance to the solicitor can be based off the draft agreement, inclusive of the schedules, and undertaking to obtain the finalized executed copy post close)

4) Executed copies of lease agreements for the seven premises located in Calgary at:  
i) 2601 - 29th Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9th Avenue SW; iv) 2520B Centre Avenue NE; v) 35 Royal Vista Drive NW; vi) 4600 - 112th Avenue SE; vii) 1803 - 11th Street SE

5) Confirmation that outside equity to close comes from sources other than those subject to repayment and/or results in a default under any other credit agreement.

6) Environmental Due Diligence including but not limited to Environmental Management Social Risk Questionnaire for the seven premises located in Calgary at:

i) 2601 - 29th Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9th Avenue SW; iv) 2520B Centre Avenue NE; v) 35 Royal Vista Drive NW; vi) 4600 - 112th Avenue SE; vii) 1803 - 11th Street SE

7) Executed or, at a minimum, draft Carstar franchise agreement for 2270683 Alberta Ltd./CMD Holdings Inc.

## **REPRESENTATIONS AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A".

## **POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will provide:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Annual review engagement financial statements for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 120 calendar days of fiscal year end
All)	Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantor(s) and such supporting documentation as the Bank may reasonably request, and at minimum every three years
All)	Quarterly company prepared consolidated financial statements and compliance certificate for Bank covenants for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 45 calendar days of fiscal quarter end
All)	Annual consolidated review engagement financial statements and compliance certificate for Bank covenants for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. within 120 calendar days of fiscal year end

## **NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

<b>Assigned Facilities</b>	<b>Description</b>
All)	No acquisitions without prior written consent from the Bank.
All)	No additional debt without the prior written consent of the Bank.
All)	No management fees/distributions to be paid unless Fixed Charge Coverage and Senior Debt-to-Adjusted EBITDA complies both on a pre and post payment basis.
All)	The Borrower will not accelerate or prepay the amounts owing to the Vendors, or amend the Vendor Take Back note without the Bank's prior written consent. Vendor Take Back note is to be 3 years interest only then repaid annually in the amount of \$166,667 plus accrued interest. Notwithstanding the permitted payment scheduled Vendor payments to be suspended if any Bank covenant is not in compliance on a pre and post payment basis. Payments are able to resume once compliance has been restored.

## **PERMITTED LIENS**

Permitted Liens as referred to in Schedule "A" are:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%

## **FINANCIAL COVENANTS**

The Borrower agrees at all times to:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Maintain a consolidated Fixed Charge Coverage Ratio of 110%. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

(Adjusted EBITDA - Unfinanced Capex - Distributions - Cash Taxes) / (Scheduled Principal + Interest)

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and Internal expenses, plus non-recurring expenses as approved by the

Bank, less extraordinary gains, less non-cash gains and income.

Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal.

Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties withdrawal of capital.

Principal & Interest amount to include Vendor debt payments. At closing and for the first three testing periods following closing, principal and cash interest in the denominator shall be annualized to reflect a full year under Facility #2 and rolling four quarter thereafter.

Note: Testing to start from the end of first full quarter after closing.

All) Maintain a consolidated maximum Senior Debt-to-Adjusted EBITDA Ratio Covenant to be equal to or less than 3.25:1.00 at step-off, further reducing to 3.00:1.00 at July 31, 2021, then reducing to 2.75:1.00 by July 31, 2022 and thereafter. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

Maximum Senior Debt/Adjusted EBITDA

Senior Debt is defined as interest bearing debt for borrowed money including, but not limited to: (i) short term debt, (ii) long term debt including the current portion, (iii) capital leases, (vi) contingent guarantees, and (vii) negative mark-to-market exposure under hedging contracts excluding the following: (i) Vendor Take Back Note Payable, (ii) CEBA loans payable, and (iii) formally postponed shareholders' loans in favor of the Bank.

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and expenses, plus non-recurring expenses as approved by the Bank, less extraordinary gains, less non-cash gains and income.

Note: Testing to start from the end of first full quarter after closing.

## **EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto.

## **ANCILLARY FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- 1) TD Visa Business card (or cards) for an aggregate amount of \$250,000.

## **AVAILABILITY OF OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

**SCHEDULE "A" -  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

**AMENDMENTS TO  
SCHEDULE "A"  
TERMS AND  
CONDITIONS**

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **September 30, 2020.**

Yours truly,

**THE TORONTO-DOMINION BANK**



Steve Graham  
Relationship Manager



Jordan Mirwaldt  
Manager Commercial Services

**TO THE TORONTO-DOMINION BANK:**

2270683 ALBERTA LTD. hereby accepts the foregoing offer this 3 day of September, 2020. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.



Signature

SHANG DAORONG (PRESIDENT)  
Print Name & Position

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Position

**cc. Guarantor(s)**

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.



**SCHEDULE A**  
**STANDARD TERMS AND CONDITIONS**

**1. INTEREST RATE DEFINITIONS**

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate is less than zero, such base rate shall be deemed to be zero for purposes of this Agreement.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

**2. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### **3. DRAWDOWN PROVISIONS**

#### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

#### **B/As**

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### **LIBOR and CDOR**

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

#### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

### **B/A, LIBOR and CDOR - Conversion**

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

### **B/A, LIBOR and CDOR – Market Disruption**

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

### **Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

### **Notice**

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

## **4. PREPAYMENT**

### **Fixed Rate Term Loans**

#### **10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity

of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **10% Prepayment Option Not Chosen.**

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
- i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **Floating Rate Term Loans**

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

#### **5. STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
  - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
  - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
  - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
  - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
  - v) All operation of account documentation; and
  - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

#### **6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.

- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

## **8. STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

## **9. ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

#### **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

## **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

## **12. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

## **13. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

## **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

## **15. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan, Agriculture Operating Line or Farm Property Line of Credit (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

## **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,



- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder,

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

### **17. EXPENSES**

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan, the Agriculture Operating Line or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

### **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

### **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

### **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

## **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

## **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

## **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

## **24. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

## **25. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

## **26. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

## **27. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;
- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars

## **28. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

*"All-In Rate"* means the greater of the interest rate that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

*"Agreement"* means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

*"Business Day"* means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

*"Branch/Centre"* means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

*"Contractual Term Maturity Date"* means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

*"Cross Default Threshold"* means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

*"Face Amount"* means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

*"Fixed Rate Term Loan"* means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

*"Floating Rate Loan"* means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

*"Inventory Value"* means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

*"Letter"* means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

*"Letter of Credit" or "L/C"* means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

*"Letter of Guarantee" or "L/G"* means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

*"Maturity Date"* for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

*"Person"* includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

*"Purchase Money Security Interest"* means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

*"Rate Term"* means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

*"Rate and Payment Terms Notice"* means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

*"Receivable Value"* means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

*"Receivables/Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

*"US\$" or "USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.

360 Main Street, Suite 2050  
Winnipeg, Manitoba  
R3C 3Z3  
Telephone No.: (204) 988-2289  
Fax No.: (204) 957-0029

March 3, 2022

CMD HOLDINGS INC.  
171 Waterloo Street  
Winnipeg, Manitoba  
R3N 0S4

Attention: Shane Daerden

Dear Shane:

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated September 2, 2020:

#### **BORROWER**

CMD HOLDINGS INC.	(the "Borrower #1")
EAST LAKE COLLISION LTD.	(the "Borrower #2")
MAYLAND HEIGHTS COLLISION LTD.	(the "Borrower #3")
SUNRIDGE COLLISION LTD.	(the "Borrower #4")

#### **LENDER**

**The Toronto-Dominion Bank** (the "Bank"), through its 360 Main Street branch, in Winnipeg, Manitoba.

#### **CREDIT LIMIT**

2a) \$750,000 CAD  
3a) \$750,000 CAD  
4a) \$750,000 CAD

#### **TYPE OF CREDIT AND BORROWING OPTIONS**

2a) **HASCAP Term Loan** available at the Borrower's option by way of:  
- Fixed Rate Term Loan in CAD\$

3a) **HASCAP Term Loan** available at the Borrower's option by way of:  
- Fixed Rate Term Loan in CAD\$

- 4a) **HASCAP Term Loan** available at the Borrower's option by way of:  
- Fixed Rate Term Loan in CAD\$

### **PURPOSE**

- 2a) To finance day to day business operating costs  
3a) To finance day to day business operating costs  
4a) To finance day to day business operating costs

### **TENOR**

2a, 3a, & 4a) Committed

### **CONTRACTUAL TERM**

- 2a) The Contractual Term Maturity Date shall be 10 years from the date of drawdown  
3a) The Contractual Term Maturity Date shall be 10 years from the date of drawdown  
4a) The Contractual Term Maturity Date shall be 10 years from the date of drawdown

### **RATE TERM (FIXED RATE TERM LOAN)**

2a, 3a, & 4a) The Rate Term Maturity Date shall be 10 years from the date of drawdown

### **AMORTIZATION**

- 2a) 10 years from the date of drawdown  
3a) 10 years from the date of drawdown  
4a) 10 years from the date of drawdown

### **INTEREST RATES AND FEES**

Advances shall bear interest and fees as follows:

- 2a) **Committed Reducing Term Facility:**  
Fixed Rate Term Loans: 4.00% per annum  
No fees described hereunder shall apply to this facility at any time.
- 3a) **Committed Reducing Term Facility:**  
Fixed Rate Term Loans: 4.00% per annum  
No fees described hereunder shall apply to this facility at any time.
- 4a) **Committed Reducing Term Facility:**

Fixed Rate Term Loans: 4.00% per annum  
No fees described hereunder shall apply to this facility at any time.

For all Facilities, interest payments will be made in accordance with Schedule "A" unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A".

### **DRAWDOWN**

<b>Assigned Facilities</b>	<b>Description</b>
2a, 3a, & 4a)	One-time drawdown to occur upon acceptance of this agreement by the Borrower and satisfaction of the disbursement conditions. Drawdown must occur within 30 days of acceptance of this Agreement by the Borrower, if drawdown is not completed within 30 days the amount not drawn is cancelled. Amounts repaid may not be redrawn

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

<b>Assigned Facilities</b>	<b>Description</b>
2a, 3a, & 4a)	All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. For the first 12-months from the date of drawdown (the 'Moratorium'), the Borrower is required to pay interest only payments on a monthly basis. Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of \$8,278.55. Any amounts repaid may not be reborrowed.

### **PREPAYMENT**

<b>Assigned Facilities</b>	<b>Description</b>
2a, 3a, & 4a)	<p>The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the Interest Rate Differential, being the amount by which:</p> <ul style="list-style-type: none"><li>a. the total amount of interest on the amount of the prepayment using the interest rate applicable to this facility the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds</li><li>b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.</li></ul> <p>To be certain, Section 4 of Schedule "A" hereunder does not apply to this facility</p>

### **SECURITY**

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

x) Postponement and Assignment of Creditor's Claim executed by COLLISION KINGS GROUP INC. **This security item has been deleted/discharged;**

ba) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank

bb) Guarantee of Advances in favour of EAST LAKE COLLISION LTD

- Limited CAD \$750,000

Executed by ARROW AUTO BODY LTD, CMD GLASS LTD., MAYLAND HEIGHTS COLLISION LTD., ROYAL VISTA COLLISION LTD., STATHKO INVESTMENTS LTD. and SUNRIDGE COLLISION LTD. (the "Guarantor")

ca) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank

cb) Guarantee of Advances in favour of MAYLAND HEIGHTS COLLISION LTD.

- Limited CAD \$750,000

Executed by ARROW AUTO BODY LTD, CMD GLASS LTD., EAST LAKE COLLISION LTD., ROYAL VISTA COLLISION LTD., STATHKO INVESTMENTS LTD. and SUNRIDGE COLLISION LTD. (the "Guarantor")

da) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank

db) Guarantee of Advances in favour of SUNRIDGE COLLISION LTD.

- Limited CAD \$750,000

Executed by ARROW AUTO BODY LTD, CMD GLASS LTD., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., ROYAL VISTA COLLISION LTD. and STATHKO INVESTMENTS LTD. (the "Guarantor")

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

## **DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

### **Assigned Facilities**

### **Description**

- 2a, 3a, & 4a) a. Signed Letter Agreement and security and guarantees, each as required, to be on hand and in order.  
b. BDC HASCAP Guarantee Online ID Form Confirmation.  
c. HASCAP Eligible Borrower's Representations and Warranties.  
d. Signed Waiver(s) from the Guarantor(s), as required.  
e. Calculation of the Borrower Group's maximum HASCAP loan exposure with TD

## **REPRESENTATIONS**



## AND WARRANTIES

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A", and in addition, represents and warrants that:

<b>Assigned Facilities</b>	<b>Description</b>
2a, 3a, & 4a)	In addition to the representations, warranties and covenants set out in the Agreement, the Borrower agrees to all the representations, warranties and covenants set out in the HASCAP Borrower's Representations and Warranties form.

## NEGATIVE COVENANTS

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

<b>Assigned Facilities</b>	<b>Description</b>
All)	No management fees/distributions to be paid unless Fixed Charge Coverage and Senior Debt-to-Adjusted EBITDA complies both on a pre and post payment basis. <b>This Covenant has been removed.</b>
All)	During the covenant relief period, no shareholder withdrawals or distributions are to occur. Following the covenant relief period, no management fees/distributions to be paid unless Fixed Charge Coverage and Senior Debt-to-Adjusted EBITDA complies both on a pre and post payment basis;
2a, 3a, & 4a)	No distributions are permitted within the first 12 months of the HASCAP loan unless (a) the distribution is made between the Borrower and guarantors or between guarantors; or (b) the distribution is made in-lieu of salary to shareholders involved directly in the Borrower's operations up to the lesser of (i) historical in lieu of salary distributions; or (ii) \$200,000.

The above will be documented in a separate HASCAP Borrower's Representations and Warranties form.

## FINANCIAL COVENANTS

The Borrower agrees at all times to:

<b>Assigned Facilities</b>	<b>Description</b>
All)	Maintain a consolidated Fixed Charge Coverage Ratio of 110%. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

(Adjusted EBITDA - Unfinanced Capex - Distributions - Cash Taxes) / (Scheduled Principal + Interest)

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and Internal expenses, plus non-recurring expenses as approved by the Bank, less extraordinary gains, less non-cash gains and income.

Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal.

Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties withdrawal of capital.

Principal & Interest amount to include Vendor debt payments. At closing and for the first three testing periods following closing, principal and cash interest in the denominator shall be annualized to reflect a full year under Facility #2 and rolling four quarter thereafter.

Note: Testing to start from the end of first full quarter after closing. **This Covenant has been removed and replaced with:**

The Fixed Charge Coverage Ratio financial covenant testing is suspended until Q2 F2023. Borrower is to maintain the following minimum Quarterly EBITDA thresholds with financial covenant testing to commence the quarter ending Q3 F2023

- o For the quarter ending Q2 F2022, Borrower to report a minimum EBITDA of (\$575,000)
- o For the quarter ending Q3 F2022, Borrower to report a minimum EBITDA of (\$350,000)
- o For the quarter ending Q4 F2022, Borrower to report a minimum EBITDA of (\$240,000)
- o For the quarter ending Q1 F2023, Borrower to report a minimum EBITDA of (\$400,000)
- o For the quarter ending Q2 F2023, Borrower to report a minimum EBITDA of \$100,000

When testing resumes, consolidated Fixed Charge Coverage Ratio of 120% to be maintained at all times. To be tested quarterly on a building basis until Q1 2024 and testing on a rolling four quarter basis thereafter. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

$(\text{EBITDA} - \text{Unfinanced Capex} - \text{Distributions}) / (\text{Scheduled Principal} + \text{Interest})$

EBITDA is defined as Earnings Before Interest, Taxes, Depreciation & Amortization

Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal.

Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties withdrawal of capital.

- All) Maintain a consolidated maximum Senior Debt-to-Adjusted EBITDA Ratio Covenant to be equal to or less than 3.25:1.00 at step-off, further reducing to 3.00:1.00 at July 31, 2021, then reducing to 2.75:1.00 by July 31, 2022 and thereafter. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

Maximum Senior Debt/Adjusted EBITDA

Senior Debt is defined as interest bearing debt for borrowed money including, but not limited to: (i) short term debt, (ii) long term debt including the current portion, (iii) capital leases, (vi) contingent guarantees, and (vii) negative mark-to-market exposure under hedging contracts excluding the

following: (i) Vendor Take Back Note Payable, (ii) CEBA loans payable, and (iii) formally postponed shareholders' loans in favor of the Bank.

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and expenses, plus non-recurring expenses as approved by the Bank, less extraordinary gains, less non-cash gains and income.

Note: Testing to start from the end of first full quarter after closing. **This Covenant has been removed and replaced with:**

The Senior Debt to EBITDA Ratio financial covenant testing is suspended until Q2 F2023. Borrower is to maintain the following minimum Quarterly EBITDA thresholds with financial covenant testing to commence the quarter ending Q3 F2023

- o For the quarter ending Q2 F2022, Borrower to report a minimum EBITDA of (\$575,000)
- o For the quarter ending Q3 F2022, Borrower to report a minimum EBITDA of (\$350,000)
- o For the quarter ending Q4 F2022, Borrower to report a minimum EBITDA of (\$240,000)
- o For the quarter ending Q1 F2023, Borrower to report a minimum EBITDA of (\$400,000)
- o For the quarter ending Q2 F2023, Borrower to report a minimum EBITDA of \$100,000

When testing resumes, maintain a consolidated maximum Senior Debt-to-EBITDA Ratio Covenant to be equal to or less than 4.00:1.00 at Q3 2023, further reducing to 3.00:1.00 by Q4 2023, then reducing to 2.75x:1.00 thereafter. To be tested quarterly on a building annualized basis until Q1 2024 and testing on a rolling four quarter basis thereafter. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

Maximum Senior Debt/EBITDA

Senior Debt is defined as interest bearing debt for borrowed money including, but not limited to: (i) short term debt, (ii) long term debt including the current portion, (iii) capital leases, (vi) contingent guarantees, and (vii) negative mark-to-market exposure under hedging contracts excluding the following: (i) Vendor Take Back Note Payable, (ii) CEBA loans payable, and (iii) formally postponed shareholders' loans in favor of the Bank.

EBITDA to be annualized to reflect a full year earnings until a rolling test can be established

EBITDA is defined as Earnings before Interest, Taxes, Depreciation and Amortization

## **EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto and after any one of the following additional Events of Default:

### **Assigned Facilities**

### **Description**

- 2a, 3a, & 4a) The Borrower fails to comply with any of the provisions of the HASCAP Eligible Borrower's Representations and Warranties provided by the Borrower to the Bank and the Business Development Bank of Canada ("BDC") (the "HASCAP Eligible Borrower's Representations and Warranties").

The Borrower makes a false or misleading representation or warranty to the Bank or BDC, including any representation or warranty made by the Borrower in the HASCAP Eligible Borrower's Representations and Warranties.

**SCHEDULE "A" -  
STANDARD TERMS  
AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

We ask that the Borrower acknowledges agreement to these amendments by signing and returning the attached duplicate copy of this Amending Agreement to the undersigned on or before **May 31, 2022**.

**ACCURACY OF  
INFORMATION**

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

Yours truly,

**THE TORONTO-DOMINION BANK**



Michael Bruce  
Relationship Manager



Bernie Scheurer  
Manager Commercial Services

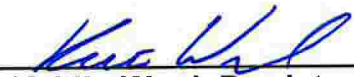
**TO THE TORONTO-DOMINION BANK:**

CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., and SUNRIDGE COLLISION LTD. hereby accepts the foregoing offer this \_\_\_\_\_ day of \_\_\_\_\_, 2022. The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

\_\_\_\_\_  
Signature

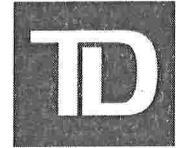
Shane Daerden - President

**THIS IS EXHIBIT "35" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**



## Eligible Borrower's Representations and Warranties

Reference is made to the Amending Agreement between **The Toronto-Dominion Bank** (the "**Lender**") and **East Lake Collision Ltd.** (the "**Eligible Borrower**") on March 3, 2022 pursuant to which the Lender has made available to the Eligible Borrower a term loan (the "**Financing**").

This Financing is made possible with the financial support of the Business Development Bank of Canada ("**BDC**") guaranteeing such Financing.

To confirm the eligibility criteria to the Highly Affected Sectors Credit Availability Program ("**HASCAP**"), the Eligible Borrower represents, warrants and covenants, as applicable in favour of the Lender and BDC that:

- (a) The Eligible Borrower is (A) a Person (other than a natural Person) incorporated or formed under the laws of Canada or of a Canadian provincial or territorial jurisdiction; or (B) a natural Person operating a business under a sole proprietorship structure in Canada, which business's intent is to generate revenue from the sale of goods or services which is at least sufficient to cover its operating expenses and service of debt;
- (b) The Eligible Borrower is a client of the Lender (for which the Lender is or will become the Principal Senior Lender);
- (c) The Eligible Borrower is operating 7 Business Sites as of the date hereof;
- (d) Please check the applicable statement(s):
  - The copies of (A) the required confirmations for at least three months (which need not be consecutive) from the Canadian Revenue Agency evidencing application to the CEWS Program, CERS Program, CRHP Program, THRP Wage Program, THRP Rent Program, HHBRP Wage Program or HHBRP Rent Program provided to the Lender; and (B) the bank statements (or any other form of evidence acceptable to the Lender) evidencing receipt of subsidies, are true and correct copies of such confirmations and statements (or other forms of evidence), and same confirm that the Eligible Borrower is eligible to, has applied for and has received subsidies for at least three months (within the 240 day period prior to the date hereof) under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program, with each such month having a minimum 50% revenue decrease (as determined under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program);

OR

The Eligible Borrower:

(A) is not eligible to the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program for the following reasons (please check the applicable reasons for ineligibility under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program):

i. with respect to the CERS Program:

the business of the Eligible Borrower did not have a Canada Revenue Agency business number on September 27, 2020; or

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020;

ii. with respect to the CEWS Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020; and

iii. with respect to the CRHP Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on June 6, 2021; and

iv. with respect to the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on October 24, 2021;

(B) has experienced, within the 240-day period prior to the date of application for the Eligible Loan, a minimum 50% revenue decrease (on a year-over-year basis) for at least three months (which need not be consecutive);

(e) The Eligible Borrower does not have a revenue model that is economically dependent on non-commercial sources such as direct government grant funding or private donations;

(f) The Eligible Borrower has been, directly or indirectly, negatively impacted by the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

(g) The Eligible Borrower was financially viable prior to the impact of the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.



- (h) The Eligible Borrower:
- (i) is not a government organization or body (other than an indigenous entity or body);
  - (ii) is not an entity in which a government organization or body (other than indigenous entities or bands) owns equity interests;
  - (iii) is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or a Person in which any such organization owns equity interests (except if it is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue primarily from the regular supply of property/goods or services and not from non-commercial sources such as direct government grant funding or private donations);
  - (iv) is not a religious organization, or a Person in which any such organization owns equity interests;
  - (v) is not a fundraising vehicle for charities;
  - (vi) is not a Person in which equity interests are held by any single current member of the Parliament of Canada or any single current member of the Senate of Canada other than a Person whose equity interests are publicly traded;
  - (vii) does not operate any form of sexually exploitive business;
  - (viii) does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;
  - (ix) is not a Person who has (or who is related to Affiliates who have) (i) ever been determined to have committed tax evasion by any applicable judicial authority, including, for clarity, pursuant to sections 238 and 239 of the Income Tax Act (Canada) or of any other similar applicable provision of any Canadian federal or provincial statute(s) (or that has Affiliates which have been determined to have committed same) ("**Tax Evasion**"), nor (ii) been subject to any assertion or assessment by any governmental authority that the Eligible Borrower or its Affiliates engaged in Tax Evasion;
  - (x) has not benefited (or is not in the process of benefiting) from HASCAP through a financial institution other than the Lender;
  - (xi) has not benefited (or is not in the process of benefitting) from HASCAP for loans exceeding an initial principal amount, in the aggregate, of (A) \$1,000,000; multiplied by (B) the number of its qualifying Business Sites; and
  - (xii) is not a member of a Group which has benefited (or is in the process of benefiting) from HASCAP for loans extended to one or more of the

members of such Group by the Lender (and any other financial institution, as applicable) exceeding an initial principal amount, in the aggregate, of CA\$6,250,000, except if the ultimate Controlling entity of the Eligible Borrower is an institutional investor.

- (i) The Financing will be incremental to the Lender's (or another financial institution's) current exposure with the Eligible Borrower and the proceeds from the Financing will only be used and, based on reasonable assumptions with respect to the COVID-19 pandemic and taking into account the subsidies and other credit currently available to the Borrower can reasonably be expected to be sufficient to fund the cash flow needs of operations (excluding, for certainty and without limitation, to fund distributions, payment of management fees, bonuses and similar instruments) for a period of time not exceeding 18 months following the date hereof; for certainty, the application of the proceeds from the Financing to (x) repay outstanding loans under an overdraft or operating facility will be permitted so long as the Lender's (or another financial institution's) commitment or authorized amount thereunder is not reduced (other than to the extent of temporary advances or borrowing excesses); (y) repay normally scheduled principal (which schedule of repayments was not accelerated since March 1, 2020) and interest payments on the Eligible Borrower's existing credits will be permitted; as well as (z) pay ordinary course of business lease, equipment or supplier financing payments will be permitted; for further certainty, the proceeds from the Financing will not be used (A) to make scheduled principal or interest payments that were due prior to the date hereof; (B) for repayment of outstanding loans on the maturity date thereof; or (C) to fund cash sweep payments under outstanding loans and similar types of payments.
- (j) Without derogating to any of the other limitations with respect to Distributions set out in the credit documentation pertaining to the Financing, the Eligible Borrower will not make, and will cause any other Person guaranteeing the Financing (an "**Obligor**") not to make, for the first 12-months following the date hereof, any Distribution other than:
  - (i) a Distribution by an Obligor to the Eligible Borrower;
  - (ii) a Distribution by an Obligor (other than the Eligible Borrower) to another Obligor; and
  - (iii) a Distribution in-lieu of salary made to shareholders involved directly in the operations of the Eligible Borrower, in an amount not exceeding historical Distributions for such purpose (and in no event exceeding \$200,000).
- (k) The Financing coupled with Eligible Borrower's existing liquidity and forecasted operational cash flow and subsidies (based on reasonable assumptions as to the COVID-19 pandemic) and credit currently available to the Eligible Borrower will enable a degree of continuity of the business of the Eligible Borrower during the current economic environment.
- (l) The financial statements delivered to the Lender for the purposes of the Financing are complete and correct in all material respects and fairly present the financial condition and results of operation of the Eligible Borrower and the guarantors as

at their stated date, all in accordance with GAAP (except for year end notes and adjustments, if any).

- (m) The Eligible Borrower's historical free cash flow (for the period prior to March 1, 2020) would have been sufficient to service the Financing and based on reasonable assumptions as to the COVID-19 pandemic, the Eligible Borrower reasonably anticipates that its future free cash flow (together with the subsidies and credit currently available to it) will be sufficient to service the Financing.

For the purpose hereof:

- (a) **"Affiliate"** means, with respect to a Person, any other Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, that Person;
- (b) **"Business Sites"** means all distinct physical locations of the Eligible Borrower (i) where it is selling goods or providing services directly to the ultimate consumer public for use or consumption; and (ii) whose business operations and activities are (A) substantially identical in nature; and (B) related to the main core business of the Eligible Borrower;
- (c) **"Control"** (including any correlative term) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities or partnership or trust interests, by contract or otherwise); without limiting the generality of the foregoing (i) a Person is deemed to Control a corporation if such Person (or such Person and its Affiliates) holds outstanding shares or other rights carrying more than 50% of the voting power in the election of the board of directors of the corporation; (ii) a Person is deemed to Control a partnership if such Person (or such Person and its Affiliates) holds more than 50% in value of the equity of the partnership; (iii) a Person is deemed to Control a trust if such Person (or such Person and its Affiliates) holds more than 50% in value of the beneficial interests in the trust; and (iv) a Person that controls another Person is deemed to Control any Person controlled by that other Person;
- (d) **"Distribution"** means (i) any payment in cash or in kind that provides an income (including interest or dividends) or a return on, or constitutes a distribution or redemption or other retirement of, the equity or capital of a Person (other than a dividend paid by way of the issuance of new equity interests); (ii) any payment (principal and interest) on account of debt due to a shareholder, Affiliate, partner, director or officer of a Person (iii) earn-out payments owing to any shareholder, Affiliate, partner, director or officer of a Person; and (iv) any bonus, fee or like payment to any shareholder, partner, director or officer of a Person or a related party of a Person;
- (e) **"Group"** means, collectively, the Eligible Borrower and its Affiliates;
- (f) **"Person"** means any natural person, corporation, company, partnership, joint venture, limited liability company, unincorporated organization, trust or any other entity; and

- (g) **“Principal Senior Lender”** means, except as set out in the following provision, the primary lender or account or cash management bank of the Eligible Borrower which holds (or will hold in connection with the Financing) a first ranking general security interest or hypothec on the personal or movable property of the Eligible Borrower (subject to such other liens over specific class of property which are incurred in the ordinary course of business); provided that for the Eligible Borrower with syndicated credit facilities or “club deal” credit facilities, (i) with respect to syndicated credit facilities, the Principal Senior Lender may be any Eligible Lender that is the administrative agent, the lender holding the largest commitment or the lead arranger under such facilities, provided that the same Principal Senior Lender provides the Financing to the Eligible Borrower on a bilateral basis; or (ii) with respect to “club deals” or other similar type of lending arrangements, the Principal Senior Lender will be the lender holding the largest commitment or outstanding loans under the Eligible Borrower’s bilateral credit facilities (or if more than one lender holds the same largest amount of commitment (or outstanding loans), the Principal Senior Lender may be any one of those lenders), provided that the same Principal Senior Lender provides the Eligible Loan to the Eligible Borrower on a bilateral basis.

The Eligible Borrower acknowledges and agrees that this document constitutes a credit document for the purposes of the Financing. As such the Lender can require repayment of the Financing to the extent any of the representations and warranties and covenants made herein are untrue or misleading in any respect (i) as of the date hereof, (ii) as of the date of disbursement of advances of amounts under the Financing, and (iii) with respect to the representations and warranties and covenants in paragraphs (g) and (i), at any time prior to the repayment in full of all of the amounts owing under the Financing.

In connection with the Financing, the Eligible Borrower agrees, and cause its Affiliates, to provide, upon request from the Government of Canada (directly or through their Affiliates, agents, BDC or the Lender) additional reporting as deemed reasonably necessary.

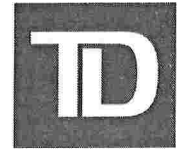
The Eligible Borrower hereby acknowledges and agrees that (i) BDC (and the Government of Canada as shareholder of BDC) may make any disclosure identifying the Eligible Borrower, its guarantors and the Financing, including as to the fact that they have benefited from HASCAP and the amount of the Financing thereunder; and (ii) the Lender may disclose to BDC any information relating to the Eligible Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Lender to the Eligible Borrower.

SIGNED as of March 10, 2022.

**East Lake Collision Ltd.**

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

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



## Eligible Borrower's Representations and Warranties

Reference is made to the Amending Agreement between **The Toronto-Dominion Bank** (the "**Lender**") and **Mayland Heights Collision Ltd.** (the "**Eligible Borrower**") on March 3, 2022 pursuant to which the Lender has made available to the Eligible Borrower a term loan (the "**Financing**").

This Financing is made possible with the financial support of the Business Development Bank of Canada ("**BDC**") guaranteeing such Financing.

To confirm the eligibility criteria to the Highly Affected Sectors Credit Availability Program ("**HASCAP**"), the Eligible Borrower represents, warrants and covenants, as applicable in favour of the Lender and BDC that:

- (a) The Eligible Borrower is (A) a Person (other than a natural Person) incorporated or formed under the laws of Canada or of a Canadian provincial or territorial jurisdiction; or (B) a natural Person operating a business under a sole proprietorship structure in Canada, which business's intent is to generate revenue from the sale of goods or services which is at least sufficient to cover its operating expenses and service of debt;
- (b) The Eligible Borrower is a client of the Lender (for which the Lender is or will become the Principal Senior Lender);
- (c) The Eligible Borrower is operating 7 Business Sites as of the date hereof;
- (d) Please check the applicable statement(s):
  - The copies of (A) the required confirmations for at least three months (which need not be consecutive) from the Canadian Revenue Agency evidencing application to the CEWS Program, CERS Program, CRHP Program, THRP Wage Program, THRP Rent Program, HHBRP Wage Program or HHBRP Rent Program provided to the Lender; and (B) the bank statements (or any other form of evidence acceptable to the Lender) evidencing receipt of subsidies, are true and correct copies of such confirmations and statements (or other forms of evidence), and same confirm that the Eligible Borrower is eligible to, has applied for and has received subsidies for at least three months (within the 240 day period prior to the date hereof) under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program, with each such month having a minimum 50% revenue decrease (as determined under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program);

OR

The Eligible Borrower:

(A) is not eligible to the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program for the following reasons (please check the applicable reasons for ineligibility under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program):

i. with respect to the CERS Program:

the business of the Eligible Borrower did not have a Canada Revenue Agency business number on September 27, 2020; or

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020;

ii. with respect to the CEWS Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020; and

iii. with respect to the CRHP Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on June 6, 2021; and

iv. with respect to the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on October 24, 2021;

(B) has experienced, within the 240-day period prior to the date of application for the Eligible Loan, a minimum 50% revenue decrease (on a year-over-year basis) for at least three months (which need not be consecutive);

(e) The Eligible Borrower does not have a revenue model that is economically dependent on non-commercial sources such as direct government grant funding or private donations;

(f) The Eligible Borrower has been, directly or indirectly, negatively impacted by the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

(g) The Eligible Borrower was financially viable prior to the impact of the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

- (h) The Eligible Borrower:
- (i) is not a government organization or body (other than an indigenous entity or body);
  - (ii) is not an entity in which a government organization or body (other than indigenous entities or bands) owns equity interests;
  - (iii) is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or a Person in which any such organization owns equity interests (except if it is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue primarily from the regular supply of property/goods or services and not from non-commercial sources such as direct government grant funding or private donations);
  - (iv) is not a religious organization, or a Person in which any such organization owns equity interests;
  - (v) is not a fundraising vehicle for charities;
  - (vi) is not a Person in which equity interests are held by any single current member of the Parliament of Canada or any single current member of the Senate of Canada other than a Person whose equity interests are publicly traded;
  - (vii) does not operate any form of sexually exploitive business;
  - (viii) does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;
  - (ix) is not a Person who has (or who is related to Affiliates who have) (i) ever been determined to have committed tax evasion by any applicable judicial authority, including, for clarity, pursuant to sections 238 and 239 of the Income Tax Act (Canada) or of any other similar applicable provision of any Canadian federal or provincial statute(s) (or that has Affiliates which have been determined to have committed same) ("**Tax Evasion**"), nor (ii) been subject to any assertion or assessment by any governmental authority that the Eligible Borrower or its Affiliates engaged in Tax Evasion;
  - (x) has not benefited (or is not in the process of benefiting) from HASCAP through a financial institution other than the Lender;
  - (xi) has not benefited (or is not in the process of benefitting) from HASCAP for loans exceeding an initial principal amount, in the aggregate, of (A) \$1,000,000; multiplied by (B) the number of its qualifying Business Sites; and
  - (xii) is not a member of a Group which has benefited (or is in the process of benefiting) from HASCAP for loans extended to one or more of the

members of such Group by the Lender (and any other financial institution, as applicable) exceeding an initial principal amount, in the aggregate, of CA\$6,250,000, except if the ultimate Controlling entity of the Eligible Borrower is an institutional investor.

- (i) The Financing will be incremental to the Lender's (or another financial institution's) current exposure with the Eligible Borrower and the proceeds from the Financing will only be used and, based on reasonable assumptions with respect to the COVID-19 pandemic and taking into account the subsidies and other credit currently available to the Borrower can reasonably be expected to be sufficient to fund the cash flow needs of operations (excluding, for certainty and without limitation, to fund distributions, payment of management fees, bonuses and similar instruments) for a period of time not exceeding 18 months following the date hereof; for certainty, the application of the proceeds from the Financing to (x) repay outstanding loans under an overdraft or operating facility will be permitted so long as the Lender's (or another financial institution's) commitment or authorized amount thereunder is not reduced (other than to the extent of temporary advances or borrowing excesses); (y) repay normally scheduled principal (which schedule of repayments was not accelerated since March 1, 2020) and interest payments on the Eligible Borrower's existing credits will be permitted; as well as (z) pay ordinary course of business lease, equipment or supplier financing payments will be permitted; for further certainty, the proceeds from the Financing will not be used (A) to make scheduled principal or interest payments that were due prior to the date hereof; (B) for repayment of outstanding loans on the maturity date thereof; or (C) to fund cash sweep payments under outstanding loans and similar types of payments.
- (j) Without derogating to any of the other limitations with respect to Distributions set out in the credit documentation pertaining to the Financing, the Eligible Borrower will not make, and will cause any other Person guaranteeing the Financing (an "**Obligor**") not to make, for the first 12-months following the date hereof, any Distribution other than:
  - (i) a Distribution by an Obligor to the Eligible Borrower;
  - (ii) a Distribution by an Obligor (other than the Eligible Borrower) to another Obligor; and
  - (iii) a Distribution in-lieu of salary made to shareholders involved directly in the operations of the Eligible Borrower, in an amount not exceeding historical Distributions for such purpose (and in no event exceeding \$200,000).
- (k) The Financing coupled with Eligible Borrower's existing liquidity and forecasted operational cash flow and subsidies (based on reasonable assumptions as to the COVID-19 pandemic) and credit currently available to the Eligible Borrower will enable a degree of continuity of the business of the Eligible Borrower during the current economic environment.
- (l) The financial statements delivered to the Lender for the purposes of the Financing are complete and correct in all material respects and fairly present the financial condition and results of operation of the Eligible Borrower and the guarantors as



at their stated date, all in accordance with GAAP (except for year end notes and adjustments, if any).

- (m) The Eligible Borrower's historical free cash flow (for the period prior to March 1, 2020) would have been sufficient to service the Financing and based on reasonable assumptions as to the COVID-19 pandemic, the Eligible Borrower reasonably anticipates that its future free cash flow (together with the subsidies and credit currently available to it) will be sufficient to service the Financing.

For the purpose hereof:

- (a) "**Affiliate**" means, with respect to a Person, any other Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, that Person;
- (b) "**Business Sites**" means all distinct physical locations of the Eligible Borrower (i) where it is selling goods or providing services directly to the ultimate consumer public for use or consumption; and (ii) whose business operations and activities are (A) substantially identical in nature; and (B) related to the main core business of the Eligible Borrower;
- (c) "**Control**" (including any correlative term) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities or partnership or trust interests, by contract or otherwise); without limiting the generality of the foregoing (i) a Person is deemed to Control a corporation if such Person (or such Person and its Affiliates) holds outstanding shares or other rights carrying more than 50% of the voting power in the election of the board of directors of the corporation; (ii) a Person is deemed to Control a partnership if such Person (or such Person and its Affiliates) holds more than 50% in value of the equity of the partnership; (iii) a Person is deemed to Control a trust if such Person (or such Person and its Affiliates) holds more than 50% in value of the beneficial interests in the trust; and (iv) a Person that controls another Person is deemed to Control any Person controlled by that other Person;
- (d) "**Distribution**" means (i) any payment in cash or in kind that provides an income (including interest or dividends) or a return on, or constitutes a distribution or redemption or other retirement of, the equity or capital of a Person (other than a dividend paid by way of the issuance of new equity interests); (ii) any payment (principal and interest) on account of debt due to a shareholder, Affiliate, partner, director or officer of a Person (iii) earn-out payments owing to any shareholder, Affiliate, partner, director or officer of a Person; and (iv) any bonus, fee or like payment to any shareholder, partner, director or officer of a Person or a related party of a Person;
- (e) "**Group**" means, collectively, the Eligible Borrower and its Affiliates;
- (f) "**Person**" means any natural person, corporation, company, partnership, joint venture, limited liability company, unincorporated organization, trust or any other entity; and

- (g) **"Principal Senior Lender"** means, except as set out in the following provision, the primary lender or account or cash management bank of the Eligible Borrower which holds (or will hold in connection with the Financing) a first ranking general security interest or hypothec on the personal or movable property of the Eligible Borrower (subject to such other liens over specific class of property which are incurred in the ordinary course of business); provided that for the Eligible Borrower with syndicated credit facilities or "club deal" credit facilities, (i) with respect to syndicated credit facilities, the Principal Senior Lender may be any Eligible Lender that is the administrative agent, the lender holding the largest commitment or the lead arranger under such facilities, provided that the same Principal Senior Lender provides the Financing to the Eligible Borrower on a bilateral basis; or (ii) with respect to "club deals" or other similar type of lending arrangements, the Principal Senior Lender will be the lender holding the largest commitment or outstanding loans under the Eligible Borrower's bilateral credit facilities (or if more than one lender holds the same largest amount of commitment (or outstanding loans), the Principal Senior Lender may be any one of those lenders), provided that the same Principal Senior Lender provides the Eligible Loan to the Eligible Borrower on a bilateral basis.

The Eligible Borrower acknowledges and agrees that this document constitutes a credit document for the purposes of the Financing. As such the Lender can require repayment of the Financing to the extent any of the representations and warranties and covenants made herein are untrue or misleading in any respect (i) as of the date hereof, (ii) as of the date of disbursement of advances of amounts under the Financing, and (iii) with respect to the representations and warranties and covenants in paragraphs (g) and (i), at any time prior to the repayment in full of all of the amounts owing under the Financing.

In connection with the Financing, the Eligible Borrower agrees, and cause its Affiliates, to provide, upon request from the Government of Canada (directly or through their Affiliates, agents, BDC or the Lender) additional reporting as deemed reasonably necessary.

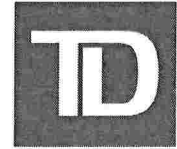
The Eligible Borrower hereby acknowledges and agrees that (i) BDC (and the Government of Canada as shareholder of BDC) may make any disclosure identifying the Eligible Borrower, its guarantors and the Financing, including as to the fact that they have benefited from HASCAP and the amount of the Financing thereunder; and (ii) the Lender may disclose to BDC any information relating to the Eligible Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Lender to the Eligible Borrower.

SIGNED as of March 10, 2022.

**Mayland Heights Collision Ltd.**

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

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



### Eligible Borrower's Representations and Warranties

Reference is made to the Amending Agreement between **The Toronto-Dominion Bank** (the "**Lender**") and **Sunridge Collision Ltd.** (the "**Eligible Borrower**") on March 3, 2022 pursuant to which the Lender has made available to the Eligible Borrower a term loan (the "**Financing**").

This Financing is made possible with the financial support of the Business Development Bank of Canada ("**BDC**") guaranteeing such Financing.

To confirm the eligibility criteria to the Highly Affected Sectors Credit Availability Program ("**HASCAP**"), the Eligible Borrower represents, warrants and covenants, as applicable in favour of the Lender and BDC that:

- (a) The Eligible Borrower is (A) a Person (other than a natural Person) incorporated or formed under the laws of Canada or of a Canadian provincial or territorial jurisdiction; or (B) a natural Person operating a business under a sole proprietorship structure in Canada, which business's intent is to generate revenue from the sale of goods or services which is at least sufficient to cover its operating expenses and service of debt;
- (b) The Eligible Borrower is a client of the Lender (for which the Lender is or will become the Principal Senior Lender);
- (c) The Eligible Borrower is operating 7 Business Sites as of the date hereof;
- (d) Please check the applicable statement(s):
  - The copies of (A) the required confirmations for at least three months (which need not be consecutive) from the Canadian Revenue Agency evidencing application to the CEWS Program, CERS Program, CRHP Program, THRP Wage Program, THRP Rent Program, HHBRP Wage Program or HHBRP Rent Program provided to the Lender; and (B) the bank statements (or any other form of evidence acceptable to the Lender) evidencing receipt of subsidies, are true and correct copies of such confirmations and statements (or other forms of evidence), and same confirm that the Eligible Borrower is eligible to, has applied for and has received subsidies for at least three months (within the 240 day period prior to the date hereof) under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program, with each such month having a minimum 50% revenue decrease (as determined under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program);

OR

The Eligible Borrower:

(A) is not eligible to the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program for the following reasons (please check the applicable reasons for ineligibility under the CEWS Program, the CERS Program, the CRHP Program, the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program and the HHBRP Rent Program):

i. with respect to the CERS Program:

the business of the Eligible Borrower did not have a Canada Revenue Agency business number on September 27, 2020; or

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020;

ii. with respect to the CEWS Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on March 15, 2020; and

iii. with respect to the CRHP Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on June 6, 2021; and

iv. with respect to the THRP Wage Program, the THRP Rent Program, the HHBRP Wage Program or the HHBRP Rent Program:

the business of the Eligible Borrower did not have a payroll account with the Canada Revenue Agency on October 24, 2021;

(B) has experienced, within the 240-day period prior to the date of application for the Eligible Loan, a minimum 50% revenue decrease (on a year-over-year basis) for at least three months (which need not be consecutive);

(e) The Eligible Borrower does not have a revenue model that is economically dependent on non-commercial sources such as direct government grant funding or private donations;

(f) The Eligible Borrower has been, directly or indirectly, negatively impacted by the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

(g) The Eligible Borrower was financially viable prior to the impact of the COVID-19 pandemic or the economic environment created by the COVID-19 pandemic.

- (h) The Eligible Borrower:
- (i) is not a government organization or body (other than an indigenous entity or body);
  - (ii) is not an entity in which a government organization or body (other than indigenous entities or bands) owns equity interests;
  - (iii) is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or a Person in which any such organization owns equity interests (except if it is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue primarily from the regular supply of property/goods or services and not from non-commercial sources such as direct government grant funding or private donations);
  - (iv) is not a religious organization, or a Person in which any such organization owns equity interests;
  - (v) is not a fundraising vehicle for charities;
  - (vi) is not a Person in which equity interests are held by any single current member of the Parliament of Canada or any single current member of the Senate of Canada other than a Person whose equity interests are publicly traded;
  - (vii) does not operate any form of sexually exploitive business;
  - (viii) does not promote violence, incite hatred or discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability;
  - (ix) is not a Person who has (or who is related to Affiliates who have) (i) ever been determined to have committed tax evasion by any applicable judicial authority, including, for clarity, pursuant to sections 238 and 239 of the Income Tax Act (Canada) or of any other similar applicable provision of any Canadian federal or provincial statute(s) (or that has Affiliates which have been determined to have committed same) ("**Tax Evasion**"), nor (ii) been subject to any assertion or assessment by any governmental authority that the Eligible Borrower or its Affiliates engaged in Tax Evasion;
  - (x) has not benefited (or is not in the process of benefiting) from HASCAP through a financial institution other than the Lender;
  - (xi) has not benefited (or is not in the process of benefiting) from HASCAP for loans exceeding an initial principal amount, in the aggregate, of (A) \$1,000,000; multiplied by (B) the number of its qualifying Business Sites; and
  - (xii) is not a member of a Group which has benefited (or is in the process of benefiting) from HASCAP for loans extended to one or more of the

members of such Group by the Lender (and any other financial institution, as applicable) exceeding an initial principal amount, in the aggregate, of CA\$6,250,000, except if the ultimate Controlling entity of the Eligible Borrower is an institutional investor.

- (i) The Financing will be incremental to the Lender's (or another financial institution's) current exposure with the Eligible Borrower and the proceeds from the Financing will only be used and, based on reasonable assumptions with respect to the COVID-19 pandemic and taking into account the subsidies and other credit currently available to the Borrower can reasonably be expected to be sufficient to fund the cash flow needs of operations (excluding, for certainty and without limitation, to fund distributions, payment of management fees, bonuses and similar instruments) for a period of time not exceeding 18 months following the date hereof; for certainty, the application of the proceeds from the Financing to (x) repay outstanding loans under an overdraft or operating facility will be permitted so long as the Lender's (or another financial institution's) commitment or authorized amount thereunder is not reduced (other than to the extent of temporary advances or borrowing excesses); (y) repay normally scheduled principal (which schedule of repayments was not accelerated since March 1, 2020) and interest payments on the Eligible Borrower's existing credits will be permitted; as well as (z) pay ordinary course of business lease, equipment or supplier financing payments will be permitted; for further certainty, the proceeds from the Financing will not be used (A) to make scheduled principal or interest payments that were due prior to the date hereof; (B) for repayment of outstanding loans on the maturity date thereof; or (C) to fund cash sweep payments under outstanding loans and similar types of payments.
- (j) Without derogating to any of the other limitations with respect to Distributions set out in the credit documentation pertaining to the Financing, the Eligible Borrower will not make, and will cause any other Person guaranteeing the Financing (an "**Obligor**") not to make, for the first 12-months following the date hereof, any Distribution other than:
  - (i) a Distribution by an Obligor to the Eligible Borrower;
  - (ii) a Distribution by an Obligor (other than the Eligible Borrower) to another Obligor; and
  - (iii) a Distribution in-lieu of salary made to shareholders involved directly in the operations of the Eligible Borrower, in an amount not exceeding historical Distributions for such purpose (and in no event exceeding \$200,000).
- (k) The Financing coupled with Eligible Borrower's existing liquidity and forecasted operational cash flow and subsidies (based on reasonable assumptions as to the COVID-19 pandemic) and credit currently available to the Eligible Borrower will enable a degree of continuity of the business of the Eligible Borrower during the current economic environment.
- (l) The financial statements delivered to the Lender for the purposes of the Financing are complete and correct in all material respects and fairly present the financial condition and results of operation of the Eligible Borrower and the guarantors as

at their stated date, all in accordance with GAAP (except for year end notes and adjustments, if any).

- (m) The Eligible Borrower's historical free cash flow (for the period prior to March 1, 2020) would have been sufficient to service the Financing and based on reasonable assumptions as to the COVID-19 pandemic, the Eligible Borrower reasonably anticipates that its future free cash flow (together with the subsidies and credit currently available to it) will be sufficient to service the Financing.

For the purpose hereof:

- (a) **"Affiliate"** means, with respect to a Person, any other Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, that Person;
- (b) **"Business Sites"** means all distinct physical locations of the Eligible Borrower (i) where it is selling goods or providing services directly to the ultimate consumer public for use or consumption; and (ii) whose business operations and activities are (A) substantially identical in nature; and (B) related to the main core business of the Eligible Borrower;
- (c) **"Control"** (including any correlative term) means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person (whether through ownership of securities or partnership or trust interests, by contract or otherwise); without limiting the generality of the foregoing (i) a Person is deemed to Control a corporation if such Person (or such Person and its Affiliates) holds outstanding shares or other rights carrying more than 50% of the voting power in the election of the board of directors of the corporation; (ii) a Person is deemed to Control a partnership if such Person (or such Person and its Affiliates) holds more than 50% in value of the equity of the partnership; (iii) a Person is deemed to Control a trust if such Person (or such Person and its Affiliates) holds more than 50% in value of the beneficial interests in the trust; and (iv) a Person that controls another Person is deemed to Control any Person controlled by that other Person;
- (d) **"Distribution"** means (i) any payment in cash or in kind that provides an income (including interest or dividends) or a return on, or constitutes a distribution or redemption or other retirement of, the equity or capital of a Person (other than a dividend paid by way of the issuance of new equity interests); (ii) any payment (principal and interest) on account of debt due to a shareholder, Affiliate, partner, director or officer of a Person (iii) earn-out payments owing to any shareholder, Affiliate, partner, director or officer of a Person; and (iv) any bonus, fee or like payment to any shareholder, partner, director or officer of a Person or a related party of a Person;
- (e) **"Group"** means, collectively, the Eligible Borrower and its Affiliates;
- (f) **"Person"** means any natural person, corporation, company, partnership, joint venture, limited liability company, unincorporated organization, trust or any other entity; and

- (g) **“Principal Senior Lender”** means, except as set out in the following provision, the primary lender or account or cash management bank of the Eligible Borrower which holds (or will hold in connection with the Financing) a first ranking general security interest or hypothec on the personal or movable property of the Eligible Borrower (subject to such other liens over specific class of property which are incurred in the ordinary course of business); provided that for the Eligible Borrower with syndicated credit facilities or “club deal” credit facilities, (i) with respect to syndicated credit facilities, the Principal Senior Lender may be any Eligible Lender that is the administrative agent, the lender holding the largest commitment or the lead arranger under such facilities, provided that the same Principal Senior Lender provides the Financing to the Eligible Borrower on a bilateral basis; or (ii) with respect to “club deals” or other similar type of lending arrangements, the Principal Senior Lender will be the lender holding the largest commitment or outstanding loans under the Eligible Borrower’s bilateral credit facilities (or if more than one lender holds the same largest amount of commitment (or outstanding loans), the Principal Senior Lender may be any one of those lenders), provided that the same Principal Senior Lender provides the Eligible Loan to the Eligible Borrower on a bilateral basis.

The Eligible Borrower acknowledges and agrees that this document constitutes a credit document for the purposes of the Financing. As such the Lender can require repayment of the Financing to the extent any of the representations and warranties and covenants made herein are untrue or misleading in any respect (i) as of the date hereof, (ii) as of the date of disbursement of advances of amounts under the Financing, and (iii) with respect to the representations and warranties and covenants in paragraphs (g) and (i), at any time prior to the repayment in full of all of the amounts owing under the Financing.

In connection with the Financing, the Eligible Borrower agrees, and cause its Affiliates, to provide, upon request from the Government of Canada (directly or through their Affiliates, agents, BDC or the Lender) additional reporting as deemed reasonably necessary.

The Eligible Borrower hereby acknowledges and agrees that (i) BDC (and the Government of Canada as shareholder of BDC) may make any disclosure identifying the Eligible Borrower, its guarantors and the Financing, including as to the fact that they have benefited from HASCAP and the amount of the Financing thereunder; and (ii) the Lender may disclose to BDC any information relating to the Eligible Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Lender to the Eligible Borrower.

SIGNED as of March 10, 2022.

**Sunridge Collision Ltd.**

Per: 

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





This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of EAST LAKE COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**MAYLAND HEIGHTS COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**SUNRIDGE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

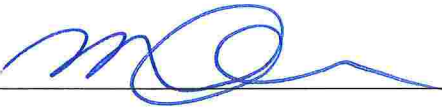
Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. Shane Daerden,  
the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated March 10, 2022  
made between  
Arrow Autobody Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and  
Sunridge Collision Ltd.  
and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.


CERTIFIED by Melissa Cattini,  
Barrister and Solicitor at the  
city of Winnipeg,  
in the Province of Manitoba, this 10 day of March, 2022.

  
\_\_\_\_\_  
Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

  
\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of MAYLAND HEIGHTS COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**EAST LAKE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**SUNRIDGE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ - Shane Daerden \_\_\_\_\_,

the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated march 10, 2022 made between Arrow Autobody Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and Sunridge Collision Ltd.

and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

CERTIFIED by melissa cattini \_\_\_\_\_,

Barrister and Solicitor at the

city \_\_\_\_\_ of Winnipeg,

in the Province of Manitoba, this 10 day of March, 2022.

Signature



**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor





This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of SUNRIDGE COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**EAST LAKE COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**MAYLAND HEIGHTS COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. Shane Daerden

the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated March 10, 2022 made between

Arrow Autobody Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and Mayland Heights Collision Ltd.

and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

CERTIFIED by Melissa

Barrister and Solicitor at the

city of Winnipeg,

in the Province of Manitoba, this 10 day of March, 2022.

Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



**THIS IS EXHIBIT "36" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



Financial Restructuring Group  
TD Canada Trust Tower  
421 – 7th Avenue S.W., 10th Floor  
Calgary, AB

Telephone No.: 403-292-1885  
Fax No.: 403-292-2863

November 21, 2022

CMD HOLDINGS INC.  
171 Waterloo Street  
Winnipeg, Manitoba  
R3N 0S4

Attention: Shane Daerden

**LETTER OF AGREEMENT**

We are pleased to offer the Borrower the following credit facilities (the "Facilities"), subject to the following terms and conditions.

**BORROWER**

- A) CMD HOLDINGS INC.
- B) EAST LAKE COLLISION LTD.
- C) MAYLAND HEIGHTS COLLISION LTD.
- D) SUNRIDGE COLLISION LTD.
- E) 2199931 ALBERTA LTD.
- F) COLLISION KINGS 3 LTD. (Collectively the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its Financial Restructuring Group, in Calgary, Alberta.

**CREDIT LIMIT**

- A1, B1, \$1,800,000 CAD  
C1, D1,  
E1, F1)
- A2) \$4,214,286 CAD
- B2) \$750,000 CAD
- C2) \$750,000 CAD

- D2) \$750,000 CAD
- E2) \$1,802,332 CAD
- E3) \$1,000,000 CAD
- F2) \$920,524 CAD

**TYPE OF CREDIT AND BORROWING OPTIONS**

A1, B1,  
C1, D1,  
E1, F1)

**Operating Loan** available at the Borrower's option by way of:

- Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

A2)

**Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:

- Fixed Rate Term Loan in CAD\$
- Floating Rate Term Loan available by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

B2, C2  
D2, E3)

**Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:

- Fixed Rate Term Loan in CAD\$

E2, F2)

**Committed Reducing Term Facility (Single Draw)** available at the Borrower's option by way of:

- Floating Rate Term Loan available by way of:
  - Prime Rate Based Loans in CAD\$ ("Prime Based Loans")

**PURPOSE**

A1, B1,  
C1, D1,  
E1, F1)

Provide working capital credit.

A2)

To acquire the shares of CMD Holdings Ltd

B2, C2  
D2, E3)

To finance day to day business operating costs.

E2)

To acquire the assets of City Centre Auto Body Ltd.

F2)

To assist with the acquisition of assets of Don Golden Auto Body Ltd.

## **TENOR**

A1, B1, C1, D1, E1, F1)	Uncommitted
A2, B2, C2, D2, E2, E3, F2)	Committed

## **CONTRACTUAL TERM**

A2)	September 21, 2025
B2)	April 4, 2032
C2)	March 21, 2032
D2)	March 21, 2032
E2)	November 22, 2024
E3)	June 28, 2032
F2)	January 6, 2024

## **RATE TERM (FIXED RATE TERM LOAN)**

A2)	Fixed Rate matures September 21, 2025
B2)	Fixed rate matures April 4, 2032
C2, D2)	Fixed rate matures March 21, 2032
E3)	Fixed rate matures June 28, 2032

## **AMORTIZATION**

A2)	September 21, 2027
B2)	April 4, 2032
C2, D2)	March 21, 2032
E2)	November 22, 2026
E3)	June 28, 2032
F2)	January 6, 2026

## **INTEREST RATES AND FEES**

Advances shall bear interest and fees as follows:

A1, B1,  
C1, D1,  
E1, F1)

### **Operating Loan:**

- Prime Based Loans: Prime Rate + 2.25% per annum

### **A2) Committed Reducing Term Facility:**

- Floating Rate Term Loan available by way of:
  - Prime Based Loans: Prime Rate + 2.50% per annum
- Fixed Rated Term Loans: 3.930% per annum or as determined by the Bank, in its sole discretion, for the Rate Term selected by the Borrower, and as set out in the Rate and Payment Terms Notice applicable to that Fixed Rate Term Loan.

B2, C2,  
D2, E3)

### **Committed Reducing Term Facility:**

- Fixed Rate Term Loans: 4.00% per annum. No fees described hereunder shall apply to this facility at anytime.

### **E2, F2) Committed Reducing Term Facility:**

- Floating Rate Term Loans available by way of:
  - Prime Based Loans: Prime Rate + 2.50% per annum

For all Facilities, interest payments will be made in accordance with Schedule "A" attached hereto unless otherwise stated in this Letter or in the Rate and Payment Terms Notice applicable for a particular drawdown. Information on interest rate and fee definitions, interest rate calculations and payment is set out in the Schedule "A" attached hereto.

## **ARRANGEMENT FEE**

The Borrower has paid or will pay prior to any drawdown hereunder a non-refundable arrangement fee of \$20,000.

## **ADMINISTRATION FEE**

\$500 per month.

## **RENEWAL FEE**

\$9,500 per annum.

## **EXCESS MONITORING FEE**

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, an Excess Monitoring Fee of \$350.00, payable in the currency of the Facility, each time that the Credit Limit of a Facility is exceeded. Any extension of credit above the Credit Limit will be at the Bank's sole and absolute discretion.

### **LATE REPORTING FEE**

The Borrower shall pay, unless waived by the Bank in the Bank's sole discretion, a Late Reporting Fee of \$350.00 per occurrence, and monthly thereafter until reporting is provided to the Bank, each time financial reporting is not provided within the timelines established in the Positive Covenants and Reporting Covenants.

### **DRAWDOWN**

A1, B1,     On a revolving basis  
C1, D1,  
E1, F1)  
A2, B2,     Fully drawn  
C2, D2,  
E2, E3,  
F2)

Notice periods, minimum amounts of draws, interest periods and contract maturity for LIBOR Loans, terms for Banker's Acceptances and other similar details are set out in the Schedule "A" attached hereto.

### **OVERDRAFTS**

The Borrower will have access to Prime Based Loans under the Operating Loan via overdraft from Account Number **5352837, 5352896, 5352934, 5352918, 5349518 and 5349372** at Branch **6330** (the "Accounts") up to the Credit Limit.

### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

A1, B1,     On demand. If the Bank demands repayment, the Borrower will pay to the Bank all amounts  
C1, D1,     outstanding under the Operating Loan, including without limitation, the amount of all unmatured B/As  
E1, F1)     and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All costs to the Bank  
              and all loss suffered by the Bank in re-employing the amounts so repaid will be paid by the Borrower.

A2, E2,     All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. The  
F2)         drawdown will be repaid in equal monthly payments. The details of repayment and interest rate  
              applicable to such drawdown will be set out in the "Rate and Payment Terms Notice" applicable to  
              that drawdown. Any amounts repaid may not be reborrowed.

B2, C2,     All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. For the first  
D2)         12-months from the date of drawdown (the 'Moratorium'), the Borrower is required to pay interest only  
              payments on a monthly basis.

              Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of  
              \$8,281.26. Any amounts repaid may not be reborrowed.

E3)         All amounts outstanding will be repaid on or before the Contractual Term Maturity Date. For the first  
              12-months from the date of drawdown (the 'Moratorium'), the Borrower is required to pay interest only  
              payments on a monthly basis.  
              Following the Moratorium, the drawdown will be repaid in equal monthly blended payments of  
              \$11,041.68. Any amounts repaid may not be reborrowed.

## PREPAYMENT

- A2) The Borrower has selected the 10% Prepayment Option and accordingly, Fixed Rate Term Loans under this Facility may be prepaid in accordance with Section 4a) and 4b) of Schedule A.
- B2, C2, D2, E3) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the Interest Rate Differential, being the amount by which:
- a. the total amount of interest on the amount of the prepayment using the interest rate applicable to this facility the Fixed Rate Term Loan being prepaid calculated for the period of time from the prepayment date until the Rate Term Maturity Date for the Fixed Rate Term Loan being prepaid (the "Remaining Term"), exceeds
  - b. the total amount of interest on the amount of the prepayment using the interest rate applicable to a fixed rate term loan that the Bank would make to a borrower for a comparable facility on the prepayment date, calculated for the Remaining Term.

To be certain, Section 4 of Schedule "A" hereunder does not apply to this facility.

## SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- i) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **CMD HOLDINGS INC.**
- ii) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **ARROW AUTO BODY LTD.**
- iii) Unlimited Corporate Guarantee of Advances executed by **ARROW AUTO BODY LTD** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank**.
- iv) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **SUNRIDGE COLLISION LTD.**
- v) Unlimited Corporate Guarantee of Advances executed by **SUNRIDGE COLLISION LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank**.
- vi) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **ROYAL VISTA COLLISION LTD.**
- vii) Unlimited Corporate Guarantee of Advances executed by **ROYAL VISTA COLLISION LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank**.

- viii) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **CMD GLASS LTD.**
- ix) Unlimited Corporate Guarantee of Advances executed by **CMD GLASS LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- x) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **EAST LAKE COLLISION LTD.**
- xi) Unlimited Corporate Guarantee of Advances executed by **EAST LAKE COLLISION LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- xii) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **MAYLAND HEIGHTS COLLISION LTD.**
- xiii) Unlimited Corporate Guarantee of Advances executed by **MAYLAND HEIGHTS COLLISION LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- xiv) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **STATHKO INVESTMENTS LTD.**
- xv) Unlimited Corporate Guarantee of Advances executed by **STATHKO INVESTMENTS LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- xvi) Landlord's Letter of Non-Disturbance / Landlord's Waiver from **CMD HOLDINGS INC.** for the seven premises located in Calgary at:  
 i) 2601 - 29th Street NE; ii) 3648 Burnsland Road SE; iii) 1407-9th Avenue SW; iv) 2520B Centre Avenue NE; v) 35 Royal Vista Drive NW; vi) 4600 - 112th Avenue SE; vii) 1803 - 11th Street SE  
 - *To Be Obtained #1, 5940 – 30 Street SE*
- xvii) Evidence of Fire Insurance with the Bank as first loss payee from **CMD HOLDINGS INC.** in an amount acceptable to the Bank.
- xviii) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby Chris Stathonikos, Matthew Stathonikos and David Stretz subordinates its security interest of **CMD HOLDINGS INC.** in favour of the Bank.
- xix) Share Pledge Agreement from **CMD HOLDINGS INC.**
- xx) Standstill Agreement from **CMD HOLDINGS INC.**
- xxi) Unlimited Personal Guarantee of Advances executed by [REDACTED] (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- xxii) Unlimited Personal Guarantee of Advances executed by **SHANE DAERDEN** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**
- xxiii) Unlimited Personal Guarantee of Advances executed by [REDACTED] (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank.**

xxiv) Unlimited Personal Guarantee of Advances executed by [REDACTED] (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** in favour of the **Bank**.

xxv) Unlimited Corporate Guarantee of Advances executed by **CMD HOLDINGS INC.** (the "Guarantor") for the obligations of **EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., 2199931 ALBERTA LTD., COLLISION KINGS 3 LTD.,** and **SUNRIDGE COLLISION LTD.** in favour of the **Bank**.

xxvi) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank in support of **EAST LAKE COLLISION LTD.**

This security item is applicable only to facility B2

xxvii) Limited Corporate Guarantee of Advances in the amount of \$750,000 executed by **ARROW AUTO BODY LTD, CMD GLASS LTD., MAYLAND HEIGHTS COLLISION LTD., ROYAL VISTA COLLISION LTD., STATHKO INVESTMENTS LTD.** and **SUNRIDGE COLLISION LTD.** (the "Guarantor") for the obligations of **EAST LAKE COLLISION LTD.,** in the favour of the **Bank**.

xxviii) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank in support of **MAYLAND HEIGHTS COLLISION LTD.**

This security item is applicable only to facility C2

xxix) Limited Corporate Guarantee of Advances in the amount of \$750,000 executed by **ARROW AUTO BODY LTD, CMD GLASS LTD., EAST LAKE COLLISION LTD., ROYAL VISTA COLLISION LTD., STATHKO INVESTMENTS LTD.** and **SUNRIDGE COLLISION LTD.** (the "Guarantor") for the obligations of **MAYLAND HEIGHTS COLLISION LTD.,** in the favour of the **Bank**.

xxx) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank in support of **SUNRIDGE COLLISION LTD.**

This security item is applicable only to facility D2

xxxi) Limited Corporate Guarantee of Advances in the amount of \$750,000 executed by **ARROW AUTO BODY LTD, CMD GLASS LTD., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., ROYAL VISTA COLLISION LTD.,** and **STATHKO INVESTMENTS LTD.** (the "Guarantor") for the obligations of **SUNRIDGE COLLISION LTD.,** in the favour of the **Bank**.

xxxii) Unlimited Corporate Guarantee of Advances executed by **COLLISION KINGS GROUP INC** (the "Guarantor") for the obligations of **CMD HOLDINGS INC., 2199931 ALBERTA LTD. and COLLISION KINGS 3 LTD.** in favour of the **Bank**.

- *To Be Obtained*

xxxiii) General Security Agreement ("GSA") representing a Third charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **COLLISION KINGS GROUP INC.**

- *To Be Obtained*

xxxiv) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **2199931 ALBERTA LTD.**

Evidence of Fire Insurance with the Bank as first loss payee from **2199931 ALBERTA LTD.** in an amount acceptable to the Bank.



- xxxv) Landlord's Letter of Non-Disturbance / Landlord's Waiver from **2199931 ALBERTA LTD.** for the Properties located at 5706 44 St, Lloydminster, AB and 4407 - 52 Street, Lloydminster, SK
- xxxvi) Unlimited Corporate Guarantee of Advances executed by **2199931 ALBERTA LTD.** (the "Guarantor") for the obligations of **CMD HOLDINGS INC.** and **COLLISION KINGS 3 LTD.** in favour of the **Bank.**
  - *To Be Obtained*
- xxxvii) HASCAP Guarantee granted by the Business Development Bank of Canada to the Bank in support of **2199931 ALBERTA LTD.**
  - This security item is applicable only to facility E3
- xxxviii) Limited Personal Guarantee of Advances in the amount of \$955,000 executed by [REDACTED] (the "Guarantor") for the obligations of **2199931 ALBERTA LTD.,** in the favour of the **Bank.**
- xxxix) Limited Personal Guarantee of Advances in the amount of \$955,000 executed by [REDACTED] (the "Guarantor") for the obligations of **2199931 ALBERTA LTD.,** in the favour of the **Bank.**
- xl) Limited Personal Guarantee of Advances in the amount of \$955,000 executed by [REDACTED] (the "Guarantor") for the obligations of **2199931 ALBERTA LTD.,** in the favour of the **Bank.**
- xli) Limited Personal Guarantee of Advances in the amount of \$955,000 executed by SHANE DAERDEN (the "Guarantor") for the obligations of **2199931 ALBERTA LTD.,** in the favour of the **Bank.**
- xlid) Share Pledge Agreement from **2199931 ALBERTA LTD.**
  - *To Be Obtained*
- xlidii) General Security Agreement ("GSA") representing a First charge on all the Borrower's present and after acquired personal property, and all other property, assets and undertakings of **COLLISION KINGS 3 LTD.**
- xlidiv) Evidence of Fire Insurance with the Bank as first loss payee from **COLLISION KINGS 3 LTD.** in an amount acceptable to the Bank.
- xlidv) Subordination Agreement/Priorities Agreement (inter-creditor agreement) whereby Don/Debbie Golden (via Don Golden Auto Body Ltd) for 2199959 Alberta Ltd subordinates its security interest of **COLLISION KINGS 3 LTD.** in favour of the Bank.
- xlidvi) Landlord's Letter of Non-Disturbance / Landlord's Waiver from **COLLISION KINGS 3 LTD.** for the Property located at 12624 - 99 Street Grande Prairie, AB
- xlidvii) Standstill Agreement from **COLLISION KINGS 3 LTD.**
- xlidviii) Limited Personal Guarantee of Advances in the amount of \$560,000 executed by [REDACTED] (the "Guarantor") for the obligations of **COLLISION KINGS 3 LTD.** in the favour of the **Bank.**
- xlidlix) Limited Personal Guarantee of Advances in the amount of \$560,000 executed by SHANE DAERDEN (the "Guarantor") for the obligations of **COLLISION KINGS 3 LTD.,** in the favour of the **Bank.**

- i) Limited Personal Guarantee of Advances in the amount of \$560,000 executed by [REDACTED] (the "Guarantor") for the obligations of **COLLISION KINGS 3 LTD.**, in the favour of the **Bank**.
- ii) Limited Personal Guarantee of Advances in the amount of \$560,000 executed by [REDACTED] (the "Guarantor") for the obligations of **COLLISION KINGS 3 LTD.**, in the favour of the **Bank**.
- iii) Share Pledge Agreement from **COLLISION KINGS 3 LTD.**  
- *To Be Obtained*

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Surety" and/or "Guarantor" and collectively as the "Guarantors";

All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

### **DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdown hereunder is subject to the Standard Disbursement Conditions contained in Schedule "A" and the following additional drawdown conditions:

Delivery to the Bank of the following, all of which must be satisfactory to the Bank:

- A1, B1, C1, D1, E1, F1) Prior to any reallocation of the operating facility amongst the Borrowers, the following are to be on-hand:  
Finalized Fiscal 2022 annual financial statements for all entities per historical reporting covenant including:  
CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., and Royal Vista Collision Ltd. (individual and consolidated statements), 2199931 Alberta Ltd., Collision Kings 3 Ltd., Collision Kings Group Inc.  
All security to be on hand and acceptable to the Bank

### **REPRESENTATIONS AND WARRANTIES**

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in Schedule "A", and in addition, represents and warrants that:

- B2, C2, D2, E3) In addition to the representations, warranties and covenants set out in the Agreement, the Borrower agrees to all the representations, warranties and covenants set out in the HASCAP Borrower's Representations and Warranties form.

### **POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

- B2, C2, The Borrower will provide, and consent to the Bank providing to, BDC and the Government of

- D2, E3) Canada or its agents, all information and documents relating to the Borrower or its guarantors, confidential or otherwise, including, without limitation, credit information, financial statements (audited and unaudited), payment history, business plans, business history, business organization and copies of and other information relating to any of the credit facilities or other services or products provided by the Bank to the Borrower. The Borrower acknowledges and agrees that BDC and the Government of Canada or its agents may contact the Borrower to request, and the Borrower will provide, additional information and reporting as BDC and the Government of Canada or its agents deem reasonably necessary with respect to the HASCAP Term Loan.
- All) 2 month principal deferral of Facilities A2, E2 and F2 during Fiscal 2023 permitted upon confirmation of minimum \$150,000 shareholder injection.

## **REPORTING COVENANTS**

The Borrower will provide:

- All) Delivery of a Personal Financial Statement and Privacy Agreement from the Guarantor(s) and such supporting documentation as the Bank may reasonably request, and at minimum every three years
- All) Annual Consolidated Notice to Reader Financial Statements with cashflow statement and notes within 90 calendar days of fiscal year end. Consolidation to include: CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., Royal Vista Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., and Collision Kings Group Inc.
- All) Annual Review Engagement Financial Statements and Compliance Certificate for Bank covenants for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., Royal Vista Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., and Collision Kings Group Inc. within 90 calendar days of fiscal year end.
- All) Quarterly company prepared Consolidated Financial Statements, aged accounts receivable, and aged accounts payable listings and signed compliance certificate for Bank covenants within 45 calendar days of fiscal quarter end. Reporting is for CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., Royal Vista Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., and Collision Kings Group Inc.

## **NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Negative Covenants set out in Schedule "A". In addition the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- All) During the covenant relief period, no shareholder withdrawals or distributions are to occur. Following the covenant relief period, no management fees/distributions to be paid unless Fixed Charge Coverage and Senior Debt-to-Adjusted EBITDA complies both on a pre and post payment basis.
- All) The Borrower will not accelerate or prepay the amounts owing to the Vendors, or amend the Vendor Take Back note without the Bank's prior written consent. Vendor Take Back note is to be 3 years

interest only then repaid annually in the amount of \$166,667 plus accrued interest. Notwithstanding the permitted payment scheduled Vendor payments to be suspended if any Bank covenant is not in compliance on a pre and post payment basis. Payments are able to resume once compliance has been restored.

- All) No additional debt without the prior written consent of the Bank.
- All) No acquisitions without prior written consent from the Bank.
- All) No distributions are permitted within the first 12 months of the HASCAP loan unless (a) the distribution is made between the Borrower and guarantors or between guarantors; or (b) the distribution is made in-lieu of salary to shareholders involved directly in the Borrower's operations up to the lesser of (i) historical in lieu of salary distributions; or (ii) \$200,000.

The above will be documented in a separate HASCAP Borrower's Representations and Warranties form.

- All) No funds may flow outside of the Group to any related parties without prior written Bank approval. The Group consists of: COLLISION KINGS GROUP INC, MAYLAND HEIGHTS COLLISION LTD., ROYAL VISTA COLLISION LTD., EAST LAKE COLLISION LTD., CMD GLASS LTD., SUNRIDGE COLLISION LTD., STATHKO INVESTMENTS LTD., ARROW AUTO BODY LTD, CMD HOLDINGS INC., 2199931 ALBERTA LTD., COLLISION KINGS 3 LTD.

## **PERMITTED LIENS**

Permitted Liens as referred to in Schedule "A" are:

- All) Purchase Money Security Interests in equipment which Purchase Money Security Interests exist on the date of this Agreement ("Existing PMSIs") which are known to the Bank and all future Purchase Money Security Interests on equipment acquired to replace the equipment under Existing PMSIs, provided that the cost of such replacement equipment may not exceed the cost of the equipment subject to the Existing PMSI by more than 10%
  - CMD Holdings Inc.
    - Rondex (registration#20092419409 dd September 24 2020)
    - CWB Leasing Inc. (registration #21112426005 dd November 24 2021)
  - Collision Kings Group Inc.
    - Royal Bank of Canada (registration#20181129 1131 1590 4278 Ontario dd November 29 2018)
    - Access Credit Union

## **FINANCIAL COVENANTS**

The Borrower agrees to:

- All) maintain a Consolidated Fixed Charge Coverage Ratio of not less than 110%. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

(Adjusted EBITDA - Unfinanced Capex - Distributions - Cash Taxes) / (Scheduled Principal + Interest)

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and Internal expenses, plus non-recurring expenses as approved by the Bank, less extraordinary gains, less non-cash gains and income.

Unfinanced CAPEX is defined as investments in fixed assets less financing for same less proceeds from disposal.

Distributions are defined as but not limited to any repayment of shareholders loans, related party debt, dividends and/or affiliated parties withdrawal of capital.

Principal & Interest amount to include Vendor debt payments. At closing and for the first three testing periods following closing, principal and cash interest in the denominator shall be annualized to reflect a full year under Facility #2 and rolling four quarter thereafter.

**The Fixed Charge Coverage Ratio financial covenant testing is suspended until Q1 F2024.**

When testing resumes, consolidated Fixed Charge Coverage Ratio of 110% to be maintained at all times. To be tested quarterly on a building basis until Q1 2025 and tested on a rolling four quarter basis thereafter. Quarterly testing shall be completed based on management prepared financial statements and annual testing based on the consolidated financial statements.

- All) meet the minimum Quarterly EBITDA thresholds based on the consolidated results of CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Maryland Heights Collision Ltd., Stathko Investments Ltd., Royal Vista Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., and Collision Kings Group Inc.:
- o For the quarter ending Q1 F2023 (October 31, 2023), Borrower to report a minimum EBITDA of (\$200,000)
  - o For the quarter ending Q2 F2023 (January 31, 2023), Borrower to report a minimum EBITDA of \$190,000
  - o For the quarter ending Q3 F2023 (April 30, 2023), Borrower to report a minimum EBITDA of \$850,000
  - o For the quarter ending Q4 F2023 (July 31, 2023), Borrower to report a minimum EBITDA of \$910,000

- All) Maintain a consolidated maximum Senior Debt-to-Adjusted EBITDA Ratio Covenant to be equal to or less than 3.25:1.00 at step-off, further reducing to 3.00:1.00 at July 31, 2021, then reducing to 2.75:1.00 by July 31, 2022 and thereafter. To be tested quarterly on a rolling four quarter basis. Quarterly periods shall be completed based on management prepared financial statements and annually based on the review engagement financial statements of the Borrower.

Test is to be calculated as follows:

Maximum Senior Debt/Adjusted EBITDA

Senior Debt is defined as interest bearing debt for borrowed money including, but not limited to: (i) short term debt, (ii) long term debt including the current portion, (iii) capital leases, (vi) contingent guarantees, and (vii) negative mark-to-market exposure under hedging contracts excluding the following: (i) Vendor Take Back Note Payable, (ii) CEBA loans payable, and (iii) formally postponed shareholders' loans in favor of the Bank.

Adjusted EBITDA is defined as Reported EBITDA (per Financial Statements), plus extraordinary losses, plus non-cash losses and expenses, plus non-recurring expenses as approved by the Bank,

less extraordinary gains, less non-cash gains and income.

**The Senior Debt to EBITDA Ratio financial covenant testing is suspended until Q1 F2024.** To be tested quarterly on a building basis until Q1 2025 and tested on a rolling four quarter basis thereafter. Quarterly testing shall be completed based on management prepared financial statements and annual testing based on the consolidated financial statements.

### **EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the Standard Events of Default contained in Schedule "A" attached hereto and after any one of the following additional Events of Default:

B2, C2, D2, E3) The Borrower fails to comply with any of the provisions of the HASCAP Eligible Borrower's Representations and Warranties provided by the Borrower to the Bank and the Business Development Bank of Canada ("BDC") (the "HASCAP Eligible Borrower's Representations and Warranties").

The Borrower makes a false or misleading representation or warranty to the Bank or BDC, including any representation or warranty made by the Borrower in the HASCAP Eligible Borrower's Representations and Warranties.

### **ANCILLARY FACILITIES**

As at the date of this Agreement, the following uncommitted ancillary products are made available. These products may be subject to other agreements.

- A3) TD Visa Business card (or cards) for an aggregate amount of \$250,000.
- E4) TD Visa Business card (or cards) for an aggregate amount of \$100,000.
- F3) TD Visa Business card (or cards) for an aggregate amount of \$100,000.

### **AVAILABILITY OF OPERATING LOAN**

The Operating Loan is uncommitted, made available at the Bank's discretion, and is not automatically available upon satisfaction of the terms and conditions, conditions precedent, or financial tests set out herein.

The occurrence of an Event of Default is not a precondition to the Bank's right to accelerate repayment and cancel the availability of the Operating Loan.

### **LANGUAGE PREFERENCE**

It is the express wish of the parties that this Agreement and any directly or indirectly related documents be drawn up in English.

### **SCHEDULE "A" - STANDARD TERMS AND CONDITIONS**

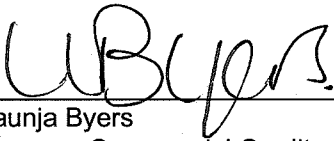
Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form

part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

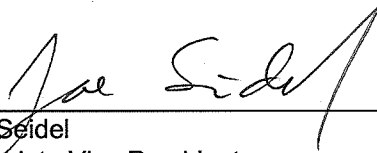
We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this offer of financing (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This offer will expire if not accepted in writing and received by the Bank on or before **December 1, 2022.**

Yours truly,

**THE TORONTO-DOMINION BANK**



Taunja Byers  
Manager Commercial Credit



Joe Seidel  
Associate Vice President

**TO THE TORONTO-DOMINION BANK:**

CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD., 2199931 ALBERTA LTD., and COLLISION KINGS 3 LTD. hereby accepts the foregoing offer

this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name & Position



**TO THE TORONTO DOMINION BANK:**

CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD., 2199931 ALBERTA LTD., and COLLISION KINGS 3 LTD. hereby accepts the foregoing offer:

This 1st day of December, 2022.

The Borrowers/Guarantors, as the case may be, each confirm that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

**CMD HOLDINGS INC.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**EAST LAKE COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**MAYLAND HEIGHTS COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**SUNRIDGE COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**2199931 ALBERTA LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**COLLISION KINGS 3 LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**ARROW AUTO BODY LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**COLLISION KINGS GROUP INC.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**ROYAL VISTA COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**STATHKO INVESTMENTS LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**CMD GLASS LTD.**

Per: Shane Daerden

Name: Shane Daerden

Position: President

Shane Daerden

SHANE DAERDEN

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**CMD GLASS LTD.**

Per: \_\_\_\_\_  
Name: Shane Daerden  
Position: President

\_\_\_\_\_  
SHANE DAERDEN



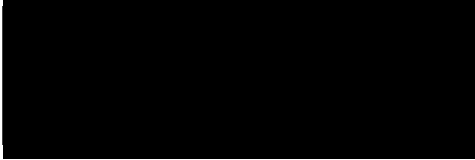
**CMD GLASS LTD.**

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

Name: Shane Daerden

Position: President

\_\_\_\_\_  
SHANE DAERDEN



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**CMD GLASS LTD.**

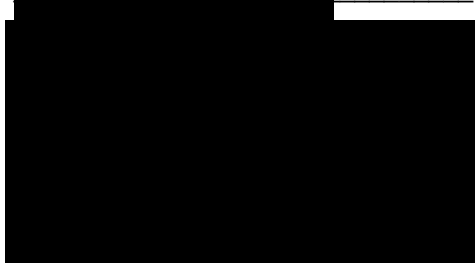
Per: \_\_\_\_\_

Name: Shane Daerden

Position: President

\_\_\_\_\_  
SHANE DAERDEN

\_\_\_\_\_

\_\_\_\_\_  


**cc. Guarantor(s)**

The Bank is providing the guarantor(s) with a copy of this letter as a courtesy only. The delivery of a copy of this letter does not create any obligation of the Bank to provide the guarantor(s) with notice of any changes to the credit facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the credit facilities, the establishment of new credit facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

## **SCHEDULE "A" - STANDARD TERMS AND CONDITIONS**

### **1. INTEREST RATE DEFINITIONS**

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

The Stamping Fee rate per annum for CAD B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

CDOR means, for any day, the annual rate for B/As denominated in Canadian Dollars for a specified term that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, then on the immediately preceding Business Day).

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Toronto time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Interest rates will never be less than zero. If Prime Rate, CDOR, LIBOR, USBR or any other applicable base rate changes, resulting in a variable or floating annual interest rate that is a negative number, the interest rate will be 0.00%. Notwithstanding the foregoing, if a Floating Rate Loan with an interest rate based on CDOR or LIBOR has been hedged in its entirety with an interest rate swap with the Bank (the "Swap") and the Swap does not include a negative interest rate floor, the foregoing restriction on CDOR or LIBOR never being less than 0.00% shall not apply. However, for purposes of certainty, if the Swap is subsequently terminated or novated the restriction on CDOR or LIBOR never being less than 0.00% shall apply.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

### **2. INTEREST CALCULATION AND PAYMENT**

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year.

The Stamping Fee is calculated based on the amount and the term of the B/A and is payable upon acceptance by the Bank of the B/A. The net proceeds received by the Borrower on a B/A advance will be equal to the Face Amount of the B/A discounted at the Bank's then prevailing B/A discount rate for CAD B/As or USD B/As as the case may be, for the specified term of the B/A less the B/A Stamping Fee. If the B/A discount rate (or the rate used to determine the B/A discount rate) is less than zero, it shall instead be deemed to be zero for purposes of this Agreement.

Interest on LIBOR Loans and CDOR Loans is calculated and payable on the earlier of contract maturity or quarterly in arrears, for the number of days in the LIBOR or CDOR interest period, as applicable.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at the Bank's standard rate charged from time to time for overdrafts, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to the Bank in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by the Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Bank which would constitute interest for purposes of section 347 of the Criminal Code (Canada).

### **3. DRAWDOWN PROVISIONS**

#### **Prime Based and USBR Loans**

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in this Agreement. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

#### **B/As**

The Borrower shall advise the Bank of the requested term or maturity date for B/As issued hereunder. The Bank shall have the discretion to restrict the term or maturity dates of B/As. In no event shall the term of the B/A exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of B/As is \$1,000,000 and in multiples of \$100,000 thereafter. The Borrower shall provide the Bank with 3 Business Days' notice of a requested B/A drawdown.

The Borrower shall pay to the Bank the full amount of the B/A at the maturity date of the B/A.

The Borrower appoints the Bank as its attorney to and authorizes the Bank to (i) complete, sign, endorse, negotiate and deliver B/As on behalf of the Borrower in handwritten form, or by facsimile or mechanical signature or otherwise, (ii) accept such B/As, and (iii) purchase, discount, and/or negotiate B/As.

#### **LIBOR and CDOR**

The Borrower shall advise the Bank of the requested LIBOR or CDOR contract maturity or interest period. The Bank shall have the discretion to restrict the LIBOR or CDOR contract maturity. In no event shall the term of the LIBOR or CDOR contract exceed the Contractual Term Maturity Date or Maturity Date, as applicable. Except as otherwise stated in this Agreement, the minimum amount of a drawdown by way of a LIBOR Loan or a CDOR Loan is \$1,000,000, and shall be in multiples of \$100,000 thereafter. The Borrower will provide the Bank with 3 Business Days' notice of a requested LIBOR Loan or CDOR Loan.

#### **L/C and/or L/G**

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.



### **B/A, LIBOR and CDOR - Conversion**

Any portion of any B/A, LIBOR or CDOR Loan that is not repaid, rolled over or converted in accordance with the applicable notice requirements hereunder shall be converted by the Bank to a Prime Based Loan effective as of the maturity date of the B/A or the last day in the interest period of the LIBOR or CDOR contract, as applicable. The Bank may charge interest on the amount of the Prime Based Loan at the rate of 115% of the rate applicable to Prime Based Loans for the 3 Business Day period immediately following such maturity. Thereafter, the rate shall revert to the rate applicable to Prime Based Loans.

### **B/A, LIBOR and CDOR – Market Disruption**

If the Bank determines, in its sole discretion, that a normal market in Canada for the purchase and sale of B/As or the making of CDOR or LIBOR Loans does not exist, any right of the Borrower to request a drawdown under the applicable borrowing option shall be suspended until the Bank advises otherwise. Any drawdown request for B/As, LIBOR or CDOR Loans, as applicable, during the suspension period shall be deemed to be a drawdown notice requesting a Prime Based Loan in an equivalent amount.

### **LIBOR Discontinuation**

On the earliest of:

- (a) the date that the administrator of LIBOR has permanently or indefinitely ceased to make LIBOR available;
- (b) the governmental authority having jurisdiction over the administrator of LIBOR has made a public statement or publication of information announcing LIBOR is no longer representative; and
- (c) the Early Opt-in Effective Date,

the LIBOR Successor Rate will replace LIBOR for all purposes hereunder and under any other documents (other than any swap agreement, but including any other Bank Security) required in connection herewith, in respect of any interest period and contract maturity of such benchmark on such day and all subsequent interest periods and contract maturities without any amendment to, or further action or consent of any party to this Agreement. If the LIBOR Successor Rate is Daily Simple SOFR, all interest payments will be payable on a monthly basis unless otherwise agreed by the Bank. Notwithstanding anything else herein, any definition of the LIBOR Successor Rate (exclusive of any margin) shall provide that in no event shall such LIBOR Successor Rate be less than zero for the purposes of this Agreement.

The Bank does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to LIBOR or the LIBOR Successor Rate including without limitation, whether the composition or characteristics of the LIBOR Successor Rate, will be similar to, or produce the same value or economic equivalence of, LIBOR or have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability.

In connection with the implementation and administration of the LIBOR Successor Rate, the Bank will have the right to make LIBOR Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary in this Agreement or in any Bank Security or other document provided in connection herewith, any amendments implementing such LIBOR Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

The Bank will promptly notify the Borrower of (i) the occurrence of an Early Opt-in Election, (ii) the implementation of the LIBOR Successor Rate and (iii) the effectiveness of any LIBOR Replacement Conforming Changes. Any determination, decision or election that may be made by the Bank pursuant to this Section, including any determination with respect to a interest period, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

### **Cash Management**

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Operating Loan or Farm Property Line of Credit to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Operating Loan or Farm Property Line of Credit even if the drawdown results in amounts outstanding in excess of the Credit Limit.

## **Notice**

Prior to each drawdown under a Fixed Rate Term Loan, other than a Long Term Farm Loan, an Agriculture Term Loan, a Canadian Agricultural Loans Act Loan, a Dairy Term Loan or a Poultry Term Loan and at least 10 days prior to the maturity of each Rate Term, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, CDOR, or LIBOR Loan or under the operating loan, send a Rate and Payment Terms Notice to the Borrower.

## **4. PREPAYMENT**

### **Fixed Rate Term Loans**

#### **10% Prepayment Option Chosen.**

- (a) Once, each calendar year, ("Year"), the Borrower may, provided that an Event of Default has not occurred, prepay in one lump sum, an amount of principal outstanding under a Fixed Rate Term Loan not exceeding 10% of the original amount of the Fixed Rate Term Loan, upon payment of all interest accrued to the date of prepayment without paying any prepayment charge. If the prepayment privilege is not used in one Year, it cannot be carried forward and used in a later Year.
- (b) Provided that an Event of Default has not occurred, the Borrower may prepay more than 10% of the original amount of a Fixed Rate Term Loan in any Year, upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment (the amount of prepayment is the amount of prepayment exceeding the 10% limit described in Section 4(a)) using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of a Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term, when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

#### **10% Prepayment Option Not Chosen.**

- (c) The Borrower may, provided that an Event of Default has not occurred, prepay all or any part of the principal then outstanding under a Fixed Rate Term Loan upon payment of all interest accrued to the date of prepayment and an amount equal to the greater of:
  - i) three months' interest on the amount of the prepayment using the interest rate applicable to the Fixed Rate Term Loan being prepaid; and
  - ii) the Yield Maintenance, being the difference between:
    - a. the current outstanding principal balance of the Fixed Rate Term Loan; and
    - b. the sum of the present values as of the date of the prepayment of the future payments to be made on the Fixed Rate Term Loan until the last day of the Rate Term, plus the present value of the principal amount of the Fixed Rate Term Loan that would have been due on the maturity of the Rate Term when discounted at the Government of Canada bond yield rate with a term which has the closest maturity to the unexpired term of the Fixed Rate Term Loan.

### **Floating Rate Term Loans**

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges.

## **5. STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
  - i) A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
  - ii) A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
  - iii) All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
  - iv) The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
  - v) All operation of account documentation; and
  - vi) For drawdowns under the Facility by way of L/C or L/G, the Bank's standard form Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapse or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

## **6. STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.
- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement.
- d) There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- e) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.

- f) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- g) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and workers' compensation dues are currently paid and up to date.
- h) If the Bank Security includes a charge on real property, the Borrower or Guarantor, as applicable, is the legal and beneficial owner of the real property with good and marketable title in fee simple thereto, free from all easements, rights-of-way, agreements, restrictions, mortgages, liens, executions and other encumbrances, save and except for those approved by the Bank in writing.
- i) All information that the Borrower has provided to the Bank is accurate and complete respecting, where applicable:
  - i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
  - ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
  - iii) the Borrower's ownership, control and structure.

## **7. STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and each of the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time, including, without limitation, such updated information and/or additional supporting information as the Bank may require with respect to any or all the matters in the Borrower's representation and warranty in Section 6(i).
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.

- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and each of the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.
- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom.
- n) Comply with all applicable laws.

## **8. STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and each of the Guarantors will not:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of any property mortgaged under the Bank Security.
- f) Cease to carry on the business currently being carried on by each of the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

## **9. ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and each of the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

## **10. STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following Events of Default:

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.
- c) If any representation or warranty made or information provided by the Guarantor to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantor, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any of the Guarantors makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any of the Guarantors or if the Borrower, any of its subsidiaries, or any of the Guarantors is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any of the Guarantors.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any of the Guarantors to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any of the Guarantors and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any of the Guarantors.
- j) If the Borrower, any one of its subsidiaries, or any of the Guarantors default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any of the Guarantors.
- m) If the Borrower or a Guarantor is an individual, the Borrower or such Guarantor dies or is found by a court to be incapable of managing his or her affairs.

## **11. ACCELERATION**

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As, CDOR and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding CDOR and LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

## **12. INDEMNITY**

The Borrower agrees to indemnify the Bank from and against any and all claims, losses and liabilities arising or resulting from this Agreement. USD loans must be repaid with USD and CAD loans must be repaid with CAD and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD loans are repaid with CAD or vice versa, whether such payment is made pursuant to an order of a court or otherwise. In no event will the Bank be liable to the Borrower for any direct, indirect or consequential damages arising in connection with this Agreement.

## **13. TAXATION ON PAYMENTS**

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

## **14. REPRESENTATION**

No representation or warranty or other statement made by the Bank concerning any of the Facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

## **15. CHANGING THE AGREEMENT**

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Operating Loan or Farm Property Line of Credit (and any other uncommitted facility), including changing or adding fees that may be charged in connection therewith, or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

## **16. ADDED COST**

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i) the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any Facility or loan made available hereunder; or,
- ii) any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii) the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

## **17. EXPENSES**

The Borrower shall pay, within 5 Business Days following notification, any fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration, ongoing administration, and discharge of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited to, any outside counsel fees and expenses, and any in-house legal fees and expenses (if in-house counsel are used), and any outside professional advisory fees and expenses, and any registration, renewal and discharge fees in connection with the Bank Security, including but not limited to, as applicable, land registry, intellectual property registry, Personal Property Security Act, and Le Registre des droits personnels et réels mobiliers fees as established by the applicable federal, provincial and/or territorial government(s) from time to time. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 25, the Bank or the Bank's agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including any registration, renewal and discharge fee as described in this section in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Operating Loan or Farm Property Line of Credit.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

## **18. NON WAIVER**

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

## **19. EVIDENCE OF INDEBTEDNESS**

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

## **20. ENTIRE AGREEMENTS**

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facilities described in this Agreement.

## **21. NON-MERGER**

Notwithstanding the execution, delivery or registration of the Bank Security and notwithstanding any advances made pursuant thereto, this Agreement shall continue to be valid, binding and enforceable and shall not merge as a result thereof. Any default under this Agreement shall constitute concurrent default under the Bank Security. Any default under the Bank Security shall constitute concurrent default under this Agreement. In the event of an



inconsistency between the terms of this Agreement and the terms of the Bank Security, the terms of this Agreement shall prevail and the inclusion of any term in the Bank Security that is not dealt with in this Agreement shall not be an inconsistency.

## **22. ASSIGNMENT**

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

## **23. RELEASE OF INFORMATION**

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "Accountant") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

## **24. FX CLOSE OUT**

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("FX Contract"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

## **25. SET-OFF**

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the exchange rate determined by the Bank at the time of the conversion.

## **26. SEVERABILITY**

In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, that part will be severed from this Agreement and will not affect the enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect.

## **27. MISCELLANEOUS**

- i) The Borrower has received a signed copy of this Agreement;

- ii) If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them;
- iii) Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
- iv) This Agreement is governed by the law of the Province or Territory where the Branch/Centre is located;
- v) Unless stated otherwise, all amounts referred to herein are in Canadian dollars.
- vi) If the Borrower qualifies as an Eligible Enterprise and the facility/ies hereunder are not secured by a mortgage on real property, the Borrower has the right to cancel this Agreement without incurring a cancellation charge until the end of the third Business Day after the day on which this Agreement is entered into and may be entitled to the refund of certain fees other than (i) any amounts related to the use of the product or service prior to its cancellation; and (ii) any expense that the Bank has reasonably incurred in providing the product or service. Eligible Enterprise, as defined in the Bank Act, means a business with authorized credit of less than CAD\$1,000,000, fewer than 500 employees and annual revenues of less than CAD\$50,000,000

## **28. CUSTOMER RESOLUTION PROCESS**

Tell us about your problem or concern in the way that is most convenient for you. You may contact a Customer Service Representative at your Branch or Business Unit that handles your account, call us toll free at 1-833-259-5980, contact us by mail at Customer Service, TD Centre, P.O. Box 193, Toronto, Ontario, M5K 1H6, by fax at 1-877-983-2932 or by e-mail at [customer.service@td.com](mailto:customer.service@td.com). As a next step, if your concern remains unresolved, the Manager will offer to elevate your problem to a representative of the Senior Management Office. Alternatively, if you prefer to elevate the problem yourself, you may contact the Manager, or one of our telephone banking specialists at the toll-free number above, and they will assist you.

If your concern remains unresolved, you may contact the Senior Customer Complaints Office by email at [td.scco@td.com](mailto:td.scco@td.com), by mail at P.O. Box 1, TD Centre, Toronto, Ontario, M5K 1A2, or toll free at 1-888-361-0319. If your concern still remains unresolved, you may then contact the ADR Chambers Banking Ombuds Office (ADRBO) by mail at 31 Adelaide Street East, P.O. Box 1066, Toronto, Ontario, M5C 1K9 or telephone: 1-800-941-3655 or toll free fax: 1-877-307-5127 and at [www.bankingombuds.ca](http://www.bankingombuds.ca) or [contact@bankingombuds.ca](mailto:contact@bankingombuds.ca). For a more detailed overview please obtain a copy of our "If You Have a Problem or Concern" brochure from any branch or from our website at [www.td.com](http://www.td.com).

Financial Consumer Agency of Canada (FCAC) - If you have a complaint regarding a potential violation of a consumer protection law, a public commitment, or an industry code of conduct, you can contact the FCAC in writing at: 6th Floor, Enterprise Building, 427 Laurier Ave. West, Ottawa, Ontario K1R 1B9. The FCAC can also be contacted by telephone at 1-866-461-3222 (en français 1-866-461-2232) or through its website at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca). Please note that the FCAC does not become involved in matters of redress or compensation - all such requests must follow the process set out above.

## **29. CONSENT TO THE COLLECTION, USE AND/OR DISCLOSURE OF INFORMATION - INDIVIDUALS**

In this Section, "you" and "your" means: (i) any individual, or that individual's authorized representative, who is the Borrower; (ii) any individual, or that individual's authorized representative, who has offered to provide a guarantee for any product or service offered by us to the Borrower; (iii) any individual who is a partner of the Borrower; and (iv) the signing authorities, as identified to us, of the Borrower. In this Section and in Section 30, the words "we", "us" and "our" mean TD Bank Group ("TD"). TD includes The Toronto-Dominion Bank and its world-wide affiliates, which provide deposit, investment, loan, securities, trust, insurance and other products or services. The word "Information" means financial, personal and other details about you, that you provide to us and we obtain from others outside our organization, including through the products and services that are provided by us to the Borrower. You agree that, at the time you request to begin a relationship with us and during the course of our relationship, we may share your Information within TD, and collect, use and disclose your Information as described in the Privacy Agreement separately provided to you and available at any TD Canada Trust branch or online at td.com, including for, but not limited to, the purposes of identifying you, providing you with ongoing service, helping us serve you better, protecting us both from fraud and error, complying with legal and regulatory requirements, and marketing products and services to you.

We may communicate with you for any of these purposes by telephone, fax, text messaging, or other electronic means, and automatic dialing-announcing device, at the numbers you have provided to us, or by ATM, internet, mail, email and other methods. If:

- a) there are changes to the signing authorities of the Borrower; or
- b) at the time of obtaining a product or service from us, the Borrower has indicated that the product or service will be used by or on behalf of a third party who is an individual; or
- c) at the time of obtaining a product or service from us, the Borrower, if a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of the shares of the corporation, or has any director, where such individual or director is not, as such time, either a signing authority of the corporation or a personal banking customer of TD; or
- d) at the time of obtaining a product or service from us, such Borrower, if other than a corporation, has any individual who owns or controls, directly or indirectly, 25 per cent or more of such Borrower, where such individual is not, at such time, either a signing authority of the Borrower or a personal banking customer of TD;

then the Borrower agrees to make such signing authorities and any such individual or director aware of the Privacy Agreement, advise them that they are subject to such agreement and inform them that a copy of such agreement is available at any TD Canada Trust branch or online at td.com. The definition of "you" in the Privacy Agreement shall be deemed to include any such individual or director. Notwithstanding the foregoing, c) and d) shall not apply where the Borrower is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the Income Tax Regulations, as may be amended from time to time, and operates in a country that is a member of the Financial Action Task Force.

To understand how you can withdraw your consent, refer to the "Marketing Purposes" section of the Privacy Agreement or contact us at 1-866-567-8888.

### **30. CONSENT TO THE COLLECTION AND/OR DISCLOSURE OF INFORMATION – BORROWER (OTHER THAN AN INDIVIDUAL)**

In addition to any rights the Bank may have regarding the collection and disclosure of the Borrower's information, the Borrower authorizes the Bank to obtain information about the Borrower from, and disclose information about the Borrower to, TD, other lenders, credit reporting or credit rating agencies, credit bureaus, auditors, governmental and regulatory authorities, references provided by the Borrower and any supplier, agent or other party that performs services for the Borrower or for the Bank.

### **31. DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

**"Agreement"** means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions, as amended from time to time in accordance with Section 15 of this Schedule "A".

**"All-In Rate"** means the greater of the interest rates that the Borrower pays for Floating Rate Loans or the highest fixed rate paid for Fixed Rate Term Loans.

**"Business Day"** means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

**"Branch/Centre"** means The Toronto-Dominion Bank branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

**"Contractual Term Maturity Date"** means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

**"Cross Default Threshold"** means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

**"Face Amount"** means, in respect of:

- (i) a B/A, the amount payable to the holder thereof on its maturity;
- (ii) A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

**"Daily Simple SOFR"** means, for any day, SOFR, with the conventions for this rate (which will include a lookback being established by the Bank in accordance with the conventions for this rate recommended by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, for determining "Daily Simple SOFR" for bilateral business loans; provided, that if the Bank decides that any such convention is not administratively feasible for the Bank, then the Bank may establish another convention in its reasonable discretion.

**"Early Opt-in Effective Date"** means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Borrower.

**"Early Opt-in Election"** means the occurrence of:

- (i) a determination by the Bank that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and
- (ii) the election by the Bank to trigger a fallback from LIBOR and the provision by the Bank of written notice of such election to the Borrower.

**"Fixed Rate Term Loan"** means any drawdown in Canadian dollars under a Facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank at its sole discretion.

**"Floating Rate Loan"** means any loan drawn down, converted or extended under a Facility at an interest rate which is referenced to a variable rate of interest, such as the Prime Rate.

**"Inventory Value"** means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

**"Letter"** means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"*Letter of Credit*" or "*L/C*" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"*Letter of Guarantee*" or "*L/G*" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"*LIBOR Replacement Conforming Changes*" means any technical, administrative or operational changes (including changes to applicable definitions, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Bank decides may be appropriate to reflect the adoption and implementation of the LIBOR Successor Rate and the Bank's administration thereof in a manner substantially consistent with market practice (or, if the Bank decides that adoption of any portion of such market practice is not administratively feasible or determines that no market practice for the administration of the LIBOR Successor Rate exists, in such other manner of administration as the Bank decides is reasonably necessary in connection with the administration of this Agreement and the other documents required hereunder).

"*LIBOR Successor Rate*" means, for any interest period as of the applicable date of determination, the first alternative set forth below that can be determined by the Bank:

- (i) the sum of: (a) Term SOFR and (b) 0.11448% (11.448 basis points) for an interest period of 1 month, 0.26161% (26.161 basis points) for an interest period of 3 months, and 0.42826% (42.826 basis points) for an interest period of 6 months, or
- (ii) the sum of: (x) Daily Simple SOFR and (y) the spread adjustment selected or recommended by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto, for the replacement of the contract maturity of LIBOR with a SOFR-based rate having approximately the same length as the interest payment period specified in the "LIBOR Discontinuation" clause in Section 3 of this Schedule A.

"*Maturity Date*" for a Facility, means the date on which all amounts outstanding under such Facility are due and payable to the Bank.

"*Person*" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"*Purchase Money Security Interest*" means a security interest on an asset which is granted to a lender or to the seller of such asset in order to secure the purchase price of such asset or a loan incurred to acquire such asset, provided that the amount secured by the security interest does not exceed the cost of the asset and provided that the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"*Rate Term*" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"*Rate and Payment Terms Notice*" means the written notice sent by the Bank to the Borrower setting out the interest rate and payment terms for a particular drawdown.

"*Receivable Value*" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

*"Receivables/Inventory Summary"* means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

*"SOFR"* means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured financing rate from time to time), on the immediately succeeding Business Day.

*"Term SOFR"* means, for the applicable corresponding interest period, the forward-looking term rate based on SOFR that has been selected or recommended by the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

*"USD"* or *"USD Equivalent"* means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the exchange rate determined by the Bank at the time of the conversion.





Financial Restructuring Group  
TD Canada Trust Tower  
421 – 7th Avenue S.W., 10th Floor  
Calgary, AB

Telephone No.: 403-292-1885  
Fax No.: 403-292-2863

November 28, 2022

CMD HOLDINGS INC.  
171 Waterloo Street  
Winnipeg, Manitoba  
R3N 0S4

Attention: Shane Daerden

The following amending agreement (the "Amending Agreement") amends the terms and conditions of the credit facilities (the "Facilities") provided to the Borrower pursuant to the Agreement dated November 21, 2022

**BORROWER**

- A) CMD HOLDINGS INC.
- B) EAST LAKE COLLISION LTD.
- C) MAYLAND HEIGHTS COLLISION LTD.
- D) SUNRIDGE COLLISION LTD.
- E) 2199931 ALBERTA LTD.
- F) COLLISION KINGS 3 LTD. (collectively the "Borrower")

**LENDER**

The Toronto-Dominion Bank (the "Bank"), through its Financial Restructuring Group, in Calgary, Alberta.

**CREDIT LIMIT**

- A1, B1, C1, D1, E1, F1) \$1,800,000 CAD
- A2) \$4,214,286 CAD
- B2) \$750,000 CAD
- C2) \$750,000 CAD



- D2) \$750,000 CAD
- E2) \$1,802,332 CAD
- E3) \$1,000,000 CAD
- F2) \$920,524 CAD

#### **REPAYMENT AND REDUCTION OF AMOUNT OF CREDIT FACILITY**

- A2, E2, F2) Principal deferral granted for November and December 2022 with payments to resume in January 2023 with no extension to amortization. Deferrals are subject to all VTB payments being deferred to March 2023 and confirmation of shareholder injection of minimum \$60,000 which is to remain in the companies.

*(This condition has been amended)*

#### **POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries and each of the Guarantors will observe the Standard Positive Covenants set out in Schedule "A" and in addition will:

- All) 2 month principal deferral of Facilities A2, E2 and F2 during Fiscal 2023 permitted upon confirmation of minimum \$150,000 shareholder injection.

*(This covenant has been deleted)*

#### **SCHEDULE "A" - STANDARD TERMS AND CONDITIONS**

Schedule "A" sets out the Standard Terms and Conditions ("Standard Terms and Conditions") which apply to these credit facilities. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

Unless otherwise stated, the amendments outlined above are in addition to the Terms and Conditions of the existing Agreement. All other terms and conditions remain unchanged.

We ask that the Borrower sign and return the attached duplicate copy of this Amending Agreement to the Bank on or before **November 30 2022**, which is the date the amendments will come into force (the "Effective Date"). Notwithstanding the foregoing, the Borrower's continued use of the Credit Facilities or failure to repay the Credit Facilities in full after the Effective Date constitutes the Borrower's acknowledgement and acceptance of this Amending Agreement

**ACCURACY OF INFORMATION**

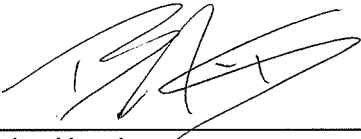
The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) the names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

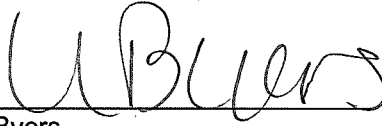
Yours truly,

**THE TORONTO-DOMINION BANK**



---

Brandon Novak  
Account Manager



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Taunja Byers  
Manager Commercial Credit

**TO THE TORONTO DOMINION BANK:**

CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD., 2199931 ALBERTA LTD., and COLLISION KINGS 3 LTD. hereby accepts the foregoing offer

This 1st day of December, 2022.

The Borrower confirms that, except as may be set out above, the credit facility(ies) detailed herein shall not be used by or on behalf of any third party.

**CMD HOLDINGS INC.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**EAST LAKE COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**MAYLAND HEIGHTS COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**SUNRIDGE COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**2199931 ALBERTA LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**COLLISION KINGS 3 LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**ARROW AUTO BODY LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**COLLISION KINGS GROUP INC.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**ROYAL VISTA COLLISION LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**STATHKO INVESTMENTS LTD.**

Per: Sh Daerden  
Name: Shane Daerden  
Position: President

**CMD GLASS LTD.**

Per: Shane Daerden

Name: Shane Daerden

Position: President

**THIS IS EXHIBIT "37" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: P.O. Box 45, Unit A12 Shops of Winnipeg Square, Winnipeg, Manitoba, R3C3Z8

Granted By: COLLISION KINGS 3 LTD.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

### 1. Security Interest

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"*Branch of the Bank*" means the branch of the Bank located at the address specified above.

"*Business Day*" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"*Control Agreement*" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"*Person*" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;



- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. **Survival of Representations and Warranties and Covenants**

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. **Performance of Covenants by The Bank**

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. **Securities, Investment Property**

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. **Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or

expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 15<sup>th</sup> day of August, 2019.

**COLLISION KINGS 3 LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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


Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
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**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

12624 99 Street  
Grande Prairie, AB T8V 4G9

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.



RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT


"RESOLVED THAT:

- (a) The \_\_\_\_\_ and the President is \_\_\_\_\_ ~~are~~ hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of COLLISION KINGS 3 LTD.

on the 15<sup>th</sup> day of August, 2019 and that the said Resolution is now in full force and effect.

  
Secretary C/S



TO: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch #6330, 360 Main Street, Concourse Level, Winnipeg MB R3C 3Z8

Granted By: Collision Kings Group Inc.

(the "Grantor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor agrees with the Bank as follows:

**1. Security Interest**

The Grantor hereby grants to the Bank a security interest in, and assigns (other than with respect to trade-marks), mortgages, charges and pledges (collectively, the "Security Interest") to the Bank, all property of the Grantor, including all present and after acquired personal property and all other property, assets and undertaking of the kind hereinafter described below, in which the Grantor now has, or hereafter acquires, any right, title or interest, and accretions and accessions thereto (collectively called the "Collateral"):

- (a) **Intangibles.** All intangible property not otherwise described in this Section 1, including all contractual rights and insurance claims, options, permits, licences, quotas, subsidies, franchises, orders, judgments, patents, trademarks, trade names, trade secrets and know-how, inventions, goodwill, copyrights and other intellectual property of the Grantor, including any right or licence to use intellectual property belonging to a third party together with any specified collateral described in Schedule "A" hereto (collectively called "Intangibles");
- (b) **Chattel Paper and Documents of Title.** All chattel paper and all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (c) **Deposits and Credit Balances.** All monies and credit balances, including interest due thereon, which are now or may hereafter from time to time be on deposit with or standing to the credit of the Grantor with the Bank or any other bank, financial institution or other Person;
- (d) **Books and Records.** All deeds, documents, writings, papers, books of account and other books and records in any form, electronic or otherwise, relating to or evidencing any of the Collateral;
- (e) **Accounts and Book Debts.** All debts, accounts, claims and choses in action for moneys now due or owing or accruing due or which may hereafter become due or owing to the Grantor, including claims against the Crown in right of Canada or of any province, moneys which may become payable under any policy of insurance (collectively called "Accounts and Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, mortgages, letters of credit and advices of credit, and all other rights, benefits and documents which are now or which may be taken, vested in or held by the Grantor in respect of or as security for the Accounts and Book Debts or any part thereof, and the full benefit and advantage thereof and all rights of actions, claims or demands which the Grantor now has or may hereafter have in respect of the foregoing;
- (f) **Equipment.** All tools, machinery, apparatus, equipment, vehicles, furniture, plants, fixtures, and other tangible personal property, other than Inventory, wherever situate, including the assets, if any, described in Schedule "A" hereto (collectively called "Equipment");
- (g) **Inventory.** All goods forming the inventory of the Grantor, of whatever kind and wherever located, whether raw material, work in process or finished goods held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Grantor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (collectively called "Inventory");
- (h) **Instruments.** All bills, notes, cheques, letters of credit and other instruments, whether negotiable or not (collectively called "Instruments");
- (i) **Securities.** All shares, stocks, warrants, options, bonds, debentures, debenture stock and all other securities and investment property of any kind and all instruments, whether negotiable or non-negotiable, and interest thereon and dividends, whether in shares, money or property, received or receivable upon or in respect of any securities and other investment property and all money or other property paid or payable on account of any return on, or repayment of, capital in respect of any securities or otherwise distributed or distributable in respect thereof or that will in any way be charged to, or be payable out of or in respect of, the capital of the issuer of the securities (collectively called "Securities");
- (j) **Real Property.** All real and immovable property, both freehold and leasehold, together with all buildings and fixtures (collectively called "Real Property"), and all rights under any lease or agreement relating to Real Property;

- (k) **Proceeds.** All proceeds of the property described above, including any property in any form derived directly or indirectly from any use or dealing with the property described above or the proceeds therefrom or that indemnifies or compensates for damage or loss to such property or the proceeds therefrom, including the money held in banks, financial institutions or any other Person (collectively called "Proceeds");

provided that (i) the Security Interest does not and will not extend to, and the Collateral will not include, any agreement, lease, right, franchise, licence or permit (the "contractual rights") to which the Grantor is a party or of which the Grantor has the benefit, to the extent that the Security Interest would permit any person to terminate the contractual rights unless the consent of one or more Persons has been obtained and until such consent has been obtained, which the Grantor agrees it will use commercially reasonable efforts to obtain if requested by the Bank, the Grantor agrees to hold its interest therein in trust for the Bank, and notwithstanding the foregoing, contractual rights shall not include any account or chattel paper; and (ii) with respect to Real Property, (A) the Security Interest granted hereby is constituted by way of a floating charge, but will become a fixed charge upon the earlier of the Obligations becoming immediately payable, and the occurrence of any other event that by operation of law would result in such floating charge becoming a fixed charge; and (B) the assignment, mortgage and charge granted hereby will not extend to the last day of the term of any lease or agreement relating to Real Property, but the Grantor will hold such last day in trust for the Bank and, upon the enforcement by the Bank of its Security Interest, will assign such last day as directed by the Bank.

## 2. Obligations Secured

The Security Interest secures the payment and performance of all present and future obligations of the Grantor to the Bank, including all debts and liabilities, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Grantor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Grantor, and in any currency, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Grantor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement (collectively called the "Obligations").

## 3. Definitions

- (a) Any word or term that is not otherwise defined in this Agreement shall have the meaning given to it in the *Personal Property Security Act* of the province in which the Branch of the Bank is located, as amended from time to time, and being referred to in this Agreement as the "PPSA". Any reference herein to "Collateral" shall, unless the context requires otherwise, be deemed to be a reference to "Collateral or any part thereof".
- (b) The following terms shall have the respective meanings set out below:

"*Branch of the Bank*" means the branch of the Bank located at the address specified above.

"*Business Day*" means any day other than a Saturday, Sunday or statutory holiday in the province in which the Branch of the Bank is located.

"*Control Agreement*" means:

- (a) with respect to any uncertificated security, an agreement between the issuer of such uncertificated security and any Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated security, without the further consent of the Grantor; and
- (b) with respect to any securities account or security entitlement, an agreement between the securities intermediary which maintains the particular securities account to which security entitlements included in the Collateral relate and any Person whereby such securities intermediary agrees to comply with any entitlement orders with respect to such securities accounts or security entitlements that are originated by such Person, without the further consent of the Grantor.

"*Person*" means any individual, sole proprietorship, joint venture, partnership, corporation, company, firm, association, co-operative, estate, government, government agency, regulatory authority, trust, or any entity of any nature.

## 4. Representations & Warranties

The Grantor hereby represents and warrants with the Bank and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) **Location of Head Office.** The address of the Grantor's chief executive office and the office where it keeps its records respecting the Accounts and Book Debts (the "Head Office") is set out below the name of the Grantor on the signature page of this Agreement;

- (b) **Location of Collateral.** The Collateral which is goods is or will be located at the address set out on the signature page of this Agreement or at the locations specified in Schedule "A" hereto or such other locations as have been agreed to by the Bank in writing, except for (i) goods in transit to such locations and (ii) Inventory on lease or consignment, but including all fixtures, crops, oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral;
- (c) **Collateral Free and Clear.** The Collateral (other than Real Property) is the sole property of the Grantor free and clear of all security interests, liens, charges, mortgages, hypothecs, leases, licenses, infringements by third parties, encumbrances, statutory liens or trusts, other adverse claims or interests, or any rights of others, except for those security interests which are expressly approved by the Bank in writing prior to their creation or assumption;
- (d) **Amount of Accounts.** Each Account and Book Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor") and the amount represented by the Grantor to the Bank from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount unconditionally owing by such Account Debtor or Account Debtors, and no Account Debtor will have any defence, set-off, claim or counterclaim against the Grantor which can be asserted against the Bank, whether in any proceeding to enforce Collateral or otherwise;
- (e) **Status and Binding Obligation.** The Grantor (i) if a corporation or company, has been duly incorporated, amalgamated or continued, as the case may be, and is validly existing as a corporation or company, as the case may be, under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, (ii) if not a corporation or company, has been duly created or established as a partnership, limited partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business and own property in each jurisdiction where it carries on business or where any of its property is located. The Grantor has adequate power, capacity and authority to carry on its business, own property, borrow monies and enter into agreements therefor, execute and deliver this Agreement, and perform its obligations under this Agreement, which Agreement constitutes a legally valid and binding obligation of the Grantor enforceable in accordance with its terms. The making of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Grantor pursuant to any agreement, indenture or other instrument to which the Grantor is a party or by which the Grantor or any of its property may be bound or affected; and
- (f) **Intellectual Property.** All intellectual property applications and registrations are valid, subsisting, unexpired, enforceable, in good standing and have not been abandoned and the Grantor is the owner of the applications and registrations.

## 5. Covenants

The Grantor covenants and agrees with the Bank that:

- (a) **Place of Business and Location of Collateral.** The Grantor shall not change its name or the location of its Head Office, amalgamate with any other Person, or move any of the Collateral from the address set out on the signature page of this Agreement or the locations specified in Schedule "A" hereto other than in accordance with clause 5(g), without the prior written consent of the Bank;
- (b) **Notification.** The Grantor shall notify the Bank promptly of: (i) any change in the information contained herein or in Schedule "A" hereto relating to the Grantor, the Grantor's business or Collateral; (ii) the details of any significant acquisition of Collateral; (iii) the details of any claims or litigation affecting the Grantor or the Collateral and will furnish the Bank with copies of the details of such claims or litigation; (iv) any loss or damage to Collateral or any material adverse change in the value of Collateral; and (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral;
- (c) **Performance of Obligations.** The Grantor shall observe and perform all its obligations under all material leases, licenses, undertakings and agreements to which it is a party, obtain and preserve its rights, powers, licences, privileges, franchises and goodwill thereunder, and comply with all applicable laws, by-laws, rules, regulations and ordinances in a proper and efficient manner so as to preserve and protect the Collateral and the business and undertaking of the Grantor in all material respects. The Grantor shall also pay all rents, taxes, rates, levies, assessments and government fees or dues levied, assessed or imposed in respect of the Collateral and other charges or any part thereof as and when the same become due and payable, and shall provide to the Bank, when requested, the receipts and vouchers evidencing payment;
- (d) **Limitations on Discounts, Extensions of Accounts and Compromises.** The Grantor shall not grant any extension of time for payment of any Accounts or Book Debts, or compromise, compound or settle any Accounts or Book Debts for less than the full amount, or release, wholly or partially, any Person liable for the payment of any Accounts or Book Debts, or allow any credit or discount of any Account or Book Debt, other than in the ordinary course of business of the Grantor and consistent with industry practices;

- (e) **Payment of Fees and Expenses.** The Grantor will pay the Bank on demand all costs, fees and expenses (including legal fees on a solicitor and his own client basis) incurred by the Bank in the preparation, execution, registration and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including, protecting and preserving the Security Interest and enforcing by legal process or otherwise the remedies provided herein. All such costs and expenses payable by the Grantor to the Bank shall bear interest from time to time at the highest interest rate then applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations secured hereunder;
- (f) **Maintenance and Protection of Collateral/No Fixtures.** The Grantor shall care for, protect and preserve the Collateral and not permit its value to be impaired and will not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Bank. The Grantor shall keep the Collateral in good order, condition and repair and shall not use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance. The Grantor will keep all licences, permits, agreements, registrations and applications relating to intellectual property used by Grantor in its business in good standing, unless otherwise agreed to in writing by the Bank. The Grantor shall apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so. The Grantor shall defend title to the Collateral against all claims and demands of all other Persons claiming the same or an interest therein and shall diligently initiate and prosecute legal action against every Person who infringes upon the Grantor's rights in intellectual property;
- (g) **Dealing with Collateral.** (i) The Grantor will not sell, lease, transfer, assign, deliver or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Bank, except that the Grantor may, until an event of default as hereinafter provided occurs, deal with any Inventory or Real Property (other than fixtures financed by the Bank and any replacements or substitutions therefor) in the ordinary course of business so that the purchaser thereof takes title thereto free and clear of the Security Interest; (ii) All Proceeds shall continue to be subject to the Security Interest, granted hereby and all money received by the Grantor as Proceeds, other than from the sale of Inventory, shall be received as trustee for the Bank and shall be held separate and apart from other money of the Grantor, and shall be paid over to the Bank upon request; (iii) All money collected or received by the Bank in respect of the Collateral may be applied on account of such parts of the Obligations as the Bank in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Bank may be released to the Grantor, all without prejudice to the Bank's rights against the Grantor; (iv) Before an event of default occurs hereunder, the Bank may give notice of this Agreement and the Security Interest to any Account Debtor who is obligated to the Grantor under any of the Accounts and Book Debts and, after the occurrence of an event of default hereunder, may give notice to any such Account Debtor to make all further payments to the Bank, and any payment or other Proceeds received by the Grantor from an Account Debtor after an event of default whether before or after any notice is given by the Bank, shall be held by the Grantor in trust for the Bank and paid over to the Bank on request. The Bank shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Bank may consider appropriate and the Grantor agrees to furnish all assistance and information and to perform all such acts as the Bank may reasonably request in connection therewith and for such purpose to grant to the Bank or its agents access to all places where Collateral may be located and to all premises occupied by the Grantor;
- (h) **Maintenance of Records.** The Grantor will keep proper books of account in accordance with sound accounting practice and mark any and all such records and the Collateral at the Bank's request so as to indicate the Security Interest. The Grantor shall furnish to the Bank such financial information and statements and such information and statements relating to the Collateral as the Bank may from time to time require and shall permit the Bank or its agents at any time at the expense of the Grantor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom and to make inquiries of third parties for the purpose of verification of such information. The Grantor authorizes any Person holding any Books and Records to make them available, in a readable form, upon the request of the Bank. The Grantor will deliver to the Bank any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
- (i) **Negative Pledge.** The Grantor will not create, incur, assume or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, hypothec, encumbrance or statutory lien or trust (including any conditional sale, or other title retention agreement or finance lease) of any nature, on any of the Collateral (other than Real Property, but not including any fixtures financed by the Bank and any replacements or substitutions therefor) without the express prior written consent of the Bank;
- (j) **Insurance.** The Grantor will keep the Collateral insured under policies with such coverage, for such amounts and with such insurers as are satisfactory to the Bank from time to time, with loss thereunder, payable to the Bank and shall furnish the Bank with a copy of any policy of insurance, certificate of insurance or other evidence satisfactory to the Bank that such insurance coverage is in effect;
- (k) **Further Assurances.** The Grantor will from time to time forthwith, at the expense of the Grantor, duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Collateral) and for the purpose of correcting any deficiencies or clerical errors in this Agreement; and

- (l) **Landlord Agreement.** The Grantor will, at the request of the Bank, obtain a written agreement from each landlord of premises where any of the Collateral is located, in favour of the Bank and in form and substance satisfactory to the Bank, whereby such landlord agrees to give notice to the Bank of any default by the Grantor under the lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord and acknowledges the Security Interest created by this Agreement and the right of the Bank to enforce the Security Interest created by this Agreement in priority to any claim of such landlord, including the right of the landlord to distrain on the Collateral for arrears of rent.

## 6. Survival of Representations and Warranties and Covenants

All agreements, representations, warranties and covenants made by the Grantor in this Agreement are material, will be considered to have been relied on by the Bank and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Bank and any disposition or payment of the Obligations until the indefeasible repayment and performance in full of the Obligations.

## 7. Performance of Covenants by The Bank

- (a) The Bank may, in its sole discretion and upon notice to the Grantor, perform any covenant of the Grantor under this Agreement that the Grantor fails to perform including any covenant the performance of which requires the payment of money, provided that the Bank will not be obligated to perform such covenant on behalf of the Grantor. The performance by the Bank of any such covenant shall not oblige the Bank to continue to perform any such covenant or other covenants nor relieve the Grantor from any default or derogate from the rights and remedies of the Bank under this Agreement. The Grantor agrees to indemnify and to reimburse the Bank for all costs and expenses incurred by the Bank in connection with the performance by it of any such covenant, and all such costs and expenses shall be payable by the Grantor to the Bank on demand, shall bear interest at the highest rate per annum applicable to any of the Obligations, calculated and compounded monthly, and shall be added to and form part of the Obligations.
- (b) In holding any Collateral, the Bank and any agent or nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own or of similar value held in the same or similar location. The Bank and any agent or nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Grantor reasonably requests in writing, but failure of the Bank or its nominees to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

## 8. Securities, Investment Property

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

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

The Grantor has not consented to and covenants that it will not consent to, the entering into of a Control Agreement by: (a) any issuer of any uncertificated securities included in or relating to the Collateral; or (b) any securities intermediary for any securities accounts or security entitlements included in or relating to the Collateral, other than, in either case, a Control Agreement to which the Bank is a party.

Promptly upon request from time to time by the Bank, the Grantor shall:

- (a) enter into and use reasonable commercial efforts to cause any securities intermediary for any securities accounts or securities entitlements included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such securities accounts or securities entitlements as the Bank requires in form and substance satisfactory to the Bank; and
- (b) enter into and use reasonable commercial efforts to cause any issuer of any uncertificated securities included in or relating to the Collateral to enter into a Control Agreement with the Bank with respect to such uncertificated securities in form and substance satisfactory to the Bank.

## 9. Dealing with Security Interest

The Bank may grant extensions of time and other indulgences, give up any of the Security Interest, abstain from perfecting any of the Security Interest, accept compositions, grant releases and discharges and waive rights against and otherwise deal with the Grantor, Account Debtors of the Grantor, sureties and others and with any of the Collateral and any other security as the Bank may see fit without prejudice to the liability of the Grantor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Grantor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 10. Deposits and Credit Balances

Without limiting any other rights or remedies of the Bank, the Bank may, without notice to the Grantor or any other Person, any notice being expressly waived by the Grantor, set-off and apply all or any of the amounts standing to or for the credit of the Grantor at the Bank or any of the Bank's affiliates, in any currency, against and on account of all or any part of the Obligations, all as the Bank may see fit, whether or not the Obligations or the amounts standing to or for the credit of the Grantor are due and payable. The Bank is authorized and shall be entitled to make such debits, credits, correcting entries, and other entries to the Grantor's accounts and the Bank's records relating to the Grantor as the Bank regards as desirable in order to give effect to the Bank's rights hereunder and the Grantor agrees to be bound by such entries absent manifest error. When applying a deposit or other obligation in a different currency than the Obligations to the Obligations, the Bank will convert the deposit or other obligation to the currency of the Obligations using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

## 11. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of one or more of the following events (each, an "event of default"):

- (a) the Grantor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Grantor fails to perform any provision of this Agreement or of any other agreement to which the Grantor and the Bank are parties;
- (c) if any certificate, statement, representation, warranty, audit report or financial statement heretofore or hereafter furnished by or on behalf of the Grantor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Grantor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty, audit report or financial statement, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Grantor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Grantor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Grantor transfers all or substantially all of its assets to another Person;
- (e) a receiver, trustee, custodian or other similar official is appointed in respect of the Grantor or any of the Grantor's property;
- (f) the institution by or against the Grantor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Grantor;
- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Grantor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Grantor fails to make payment when due under any guarantee given by the Grantor;
- (i) if the Grantor is an individual, the Grantor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Grantor;
- (k) if the Grantor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall not be required to make any further advances or other extension of credit that constitutes an Obligation.

## 12. Remedies

- (a) Upon the occurrence of an event of default that has not been cured or waived, the Bank, in addition to any right or remedy otherwise provided herein or by law or in equity, will have the rights and remedies set out below, which may be enforced successively or concurrently:
  - (i) to take such steps as the Bank considers desirable to maintain, preserve or protect the Collateral or its value;

- (ii) to take possession of the Collateral and require the Grantor to assemble the Collateral and deliver or make the Collateral available to the Bank at such place as may be specified by the Bank, and the Bank will not be or be deemed to be a mortgagee in possession by virtue of any such actions;
  - (iii) to exercise and enforce all rights and remedies of the Grantor with respect to the Collateral, including collecting and realizing upon all Accounts and Book Debts;
  - (iv) to carry on or concur in carrying on all or any part of the business of the Grantor;
  - (v) for the maintenance, preservation or protection of the Collateral or for carrying on any of the business of the Grantor, to borrow money on the security of the Collateral, which security will rank in priority to the Security Interest, or on an unsecured basis;
  - (vi) to the exclusion of all others, including the Grantor, to enter upon, occupy and use all or any of the premises, buildings and plants owned or occupied by the Grantor and use all or any of the Collateral of the Grantor for such time as the Bank requires to facilitate the preservation and realization of the Collateral, free of charge, and the Bank will not be liable to the Grantor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (vii) to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of the Collateral upon such terms and conditions as the Bank may determine;
  - (viii) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;
  - (ix) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice of such disposition;
  - (x) to make any arrangement or compromise which the Bank shall think expedient in the interests of the Bank, including compromising any Accounts and Book Debts, and giving time for payment thereof with or without security;
  - (xi) to appoint a consultant or monitor, at the Grantor's expense, to evaluate the Grantor's business and the value of the Collateral, and to review the options available to the Bank; and
  - (xii) to appoint or reappoint by instrument in writing any person or persons, whether an officer or officers or employee or employees of the Bank or not, to be a receiver or receivers or a receiver and manager of the Collateral and remove or replace any person or persons so appointed or apply to any court for the appointment of a receiver or receiver and manager (each hereinafter called a "Receiver").
- (b) Any Receiver so appointed shall be deemed to be the agent of the Grantor and not the Bank, and the Grantor and not the Bank, shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses. The Bank shall not be in any way responsible for any misconduct, negligence or failure to act on the part of any such Receiver, its servants, agents or employees.
- (c) The Grantor agrees to pay all costs, charges and expenses incurred by the Bank or any Receiver appointed by the Bank, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Obligations, and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Bank or any Receiver appointed by the Bank, as permitted hereby, shall be a first charge on the Collateral and shall be secured hereby.
- (d) The Bank will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.
- (e) Upon default and receiving written demand from the Bank, the Grantor agrees to take such further action as may be necessary to evidence and effect an assignment or licensing of intellectual property to whomever the Bank directs, including to the Bank. The Grantor appoints any officer or employee of the Bank to be its attorney in accordance with applicable legislation with full power of substitution, to do on the Grantor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (f) The Grantor authorizes the Bank to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying any Collateral or identifying the locations at which the Collateral is located and correcting any clerical errors or deficiencies in this Agreement) as the Bank may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest. The Grantor hereby irrevocably constitutes and appoints the Bank and any of its officers or employees from time to time as the true and lawful attorney of the Grantor, with full power of substitution, to do any of the foregoing in the name of the Grantor whenever and wherever it may be deemed necessary or



expedient. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement including the expenses incurred by the Bank in connection with the preservation and realization of the Collateral as described above, the Grantor shall be liable to pay any deficiency to the Bank forthwith on demand.

### 13. Environmental License and Indemnity

The Grantor hereby grants to the Bank and its officers, employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any Real Property to conduct investigations, inspections, audits, testing and monitoring with respect to any contaminants or hazardous substances and to remove and analyze samples of any contaminants or hazardous substances at the cost and expense of the Grantor (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured hereby). The Grantor hereby indemnifies and will indemnify the Bank and agrees to hold the Bank harmless against and from all losses, fines, penalties, costs, damages and expenses which the Bank may sustain, incur or be held to be or for which it may become liable, at any time whatsoever for or by reason of or arising from the past, present or future presence of or, clean-up, removal or disposal of any contaminants or hazardous substances from, on, under or adjacent to any Real Property owned by the Grantor or which may become owned or occupied by the Bank or as a result of the Bank's compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any Real Property owned or occupied by the Grantor or other affected or adjacent lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Obligations created hereby

### 14. Miscellaneous

- (a) **Interpretation.** The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement (including any schedule now or hereafter annexed hereto) and not to any particular Section or other portion hereof. Unless otherwise specified, any reference herein to a Section or Schedule refers to the specified Section of or Schedule to this Agreement. In this Agreement: (i) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; (iv) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and (v) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Grantor shall not assert against the assignee any claim or defence which the Grantor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Grantor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Grantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby (i) shall extend to "Collateral" (as that term is herein defined) in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Grantor named herein, the term "Grantor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Grantor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.
- (e) **Attachment of Security Interest.** The Grantor acknowledges that value has been given and that the Security Interest granted hereby will attach when the Grantor signs this Agreement and will attach to Collateral in which the Grantor subsequently acquires any rights, immediately upon the Grantor acquiring such rights. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

- (f) **No Obligation to Advance.** Neither the execution of this Agreement nor any advance of funds shall oblige the Bank to advance any funds or any additional funds or enter into any transaction or renew any note or extend any time for payment of any of the Obligations of the Grantor to the Bank.
- (g) **Information.** The Bank may provide any financial and other information it has about the Grantor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or anyone acting on behalf of the Bank.
- (h) **Assignment.** The Bank may assign or transfer any of its rights under this Agreement without the consent of the Grantor. The Grantor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (i) **Amendment.** Subject to Section 12(f) of this Agreement, no amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No course of conduct by the Bank will be deemed to result in an amendment of this Agreement.
- (j) **Term.** This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be indefeasibly paid in full or discharged by the Bank and until the Bank shall no longer have any commitment to the Grantor or any other Person, the fulfillment of which, might result in the creation of Obligations of the Grantor.
- (k) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (l) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (m) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Grantor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (n) **Waiver by the Grantor.** The Grantor waives protest of any Instrument constituting Collateral at any time held by the Bank on which the Grantor is in any way liable and, subject to clause 12(d) hereof, notice of any other action taken by the Bank.
- (o) **Non-Substitution.** The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (p) **Entire Agreement.** This Agreement including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Grantor and the Bank with respect to the subject matter hereof. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement.
- (q) **Acknowledgment.** The Grantor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.
- (r) **Execution.** The Grantor agrees that this Agreement may be executed electronically and in counterparts.

IN WITNESS WHEREOF the Grantor has executed this Agreement this 17<sup>th</sup> day of January, 2023.

**COLLISION KINGS GROUP INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

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


Name: \_\_\_\_\_

[Address of Grantor]

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

Name: \_\_\_\_\_

[Address of Grantor]

  
\_\_\_\_\_

Witness as to execution

**SCHEDULE "A"**

**DESCRIPTION OF EQUIPMENT/SERIAL NUMBERED GOODS**

<b>QUANTITY</b>	<b>DESCRIPTION</b>	<b>SERIAL NUMBER</b>
	NIL.	

**LOCATION OF COLLATERAL**

The Collateral is now and will hereafter be located at the following address(es) (include Street/Town/City and Province):

171 Waterloo Street, Winnipeg, MB R3N 0S4

**SPECIFIED COLLATERAL (Ontario only)**

Quota/Licence No. \_\_\_\_\_ issued by \_\_\_\_\_ (including any successor marketing board or licencing authority in respect of marketing or setting prices for the same commodity, their successors and assigns, in each case called the "Board") and proceeds therefrom.

**Additional Covenants of Customer Applicable to Above Collateral:**

1. By executing this Agreement, Grantor has granted an assignment to the Bank of any and all rights of the Grantor in and to the above quota/licence, any amendments, substitutions, additions or supplements thereto, and any proceeds thereof.
2. Grantor agrees to maintain all of the above quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board issuing such quota/licence.
3. Grantor agrees not to apply to the Board for the transfer of the above quota/licence, in whole or in part, without the prior written consent of the Bank.
4. The security and/or rights hereby granted shall extend to and include all present and future acquired quota/licence rights issued by the Board to the Grantor, whether issued under the above quota/licence number or under any other such number.

RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT

"RESOLVED THAT:

- (a) The President \_\_\_\_\_ ~~and the~~ \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialled by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of Collision Kings Group Inc.

on the 17<sup>th</sup> day of January, 2023 and that the said Resolution is now in full force and effect.



Shane Daerden, President

C/S



This **Guarantee** is made as of the 15<sup>th</sup> day of November, 2019.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
2199931 ALBERTA LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed  
NINE HUNDRED FIFTY-FIVE THOUSAND  
dollars in lawful money of Canada (Cdn. \$ 955,000.00), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.



## 15. Bankruptcy of Customer

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## 16. Costs and Expenses

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## 17. Other Guarantees and Security

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## 18. Amendment and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## 19. Discharge

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## 20. General

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: Shane Daerden

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



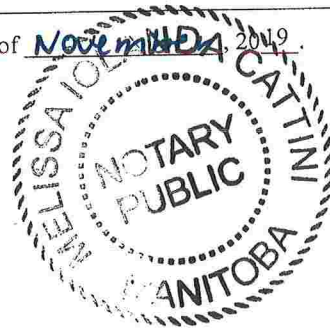
I HEREBY CERTIFY THAT:

1. Shane Daerden  
 the guarantor in the guarantee dated November 15, 2019  
 made between  
Shane Daerden  
 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
 he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by melissa cattini  
 Barrister and Solicitor at the

city of Winnipeg  
 in the Province of ~~Alberta~~, this 15 day of November, 2019  
manitoba

[Signature]  
 Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

[Signature]  
 Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

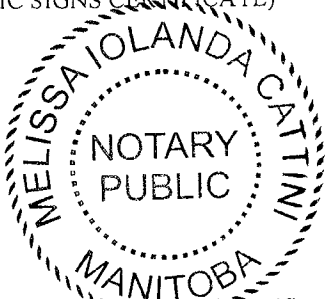
CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. Melissa Cattini of the City of Winnipeg in the province of Manitoba, the guarantor in the guarantee dated \_\_\_\_\_ made between The Toronto-Dominion Bank and Shane Daerden, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it;
3. I have not prepared any documents on behalf of the creditor, The Toronto-Dominion Bank, relating to the transaction and I am not otherwise interested in the transaction;
4. I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at the City of Winnipeg this 15 day of NOVEMBER, 2019, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)



I am the person named in this certificate.

[Signature]

A LAWYER OR A NOTARY PUBLIC IN AND FOR THE PROVINCE OF MANITOBA

STATEMENT OF GUARANTOR

[Signature]

Signature of Guarantor



This **Guarantee** is made as of the 15<sup>th</sup> day of August, 2019.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of COLLISION KINGS 3 LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed FIVE HUNDRED SIXTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 560,000.00), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

#### **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

#### **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.



This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba /Alberta and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: 

Print name: SHANE DAERDEN

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. SHANE DAERDEN  
the guarantor in the guarantee dated August 1<sup>st</sup>, 2019  
made between

SHANE DAERDEN  
and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

CERTIFIED by MELISSA CATTINI  
Barrister and Solicitor at the  
CITY of WINNIPEG,  
MANITOBA  
in the Province of ~~Alberta~~, this 26th day of July, 2019.

Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

East Lake Collision Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD HOLDINGS INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor





**ACKNOWLEDGMENT OF GUARANTEE**

**(Section 31)**

**CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

Mayland Heights Collision Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD HOLDINGS INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

- \_\_\_\_\_ of \_\_\_\_\_ in the province of \_\_\_\_\_, the guarantor in the guarantee dated \_\_\_\_\_ made between The Toronto-Dominion Bank and \_\_\_\_\_, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;
- I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it;
- I have not prepared any documents on behalf of the creditor, The Toronto-Dominion Bank, relating to the transaction and I am not otherwise interested in the transaction;
- I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor





This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

2199931 Alberta Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD HOLDINGS INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

Collision Kings 3 Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD HOLDINGS INC.**

Per: [Signature]  
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

Sunridge Collision Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.



**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**CMD HOLDINGS INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

**[Name of Guarantor]**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**[Name of Guarantor]**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**[Name of Guarantor]**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**[Name of Guarantor]**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**[Name of Guarantor]**

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN

AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 7<sup>th</sup> day of March, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of CMD Holdings Inc.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constituting documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.



**15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

**16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

**17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

**18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

**19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

**20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

Collision Kings 3 Ltd.

**Personal Guarantee**

Per:   
(authorized signature) Shane Daerden, President

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)



I HEREBY CERTIFY THAT:

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

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

\_\_\_\_\_  
 Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
 Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 7<sup>th</sup> day of March, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of  
2199931 Alberta Ltd.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

**15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

**16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

**17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

**18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

**19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

**20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.



This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

Collision Kings 3 Ltd.

**Personal Guarantee**

Per:   
(authorized signature) Shane Daerden, President

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

Collision Kings 3 Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

2199931 Alberta Ltd.

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_





I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
 the guarantor in the guarantee dated \_\_\_\_\_  
 made between \_\_\_\_\_  
 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
 he/she had executed the guarantee.

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

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

\_\_\_\_\_  
 Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
 Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 20 23.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

CMD Holdings Inc.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

**15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

**16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

**17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

**18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

**19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

**20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

2199931 Alberta Ltd.

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor





ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

Collision Kings 3 Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**COLLISION KINGS GROUP INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor





This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

2199931 Alberta Ltd.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

**15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

**16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

**17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

**18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

**19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

**20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**COLLISION KINGS GROUP INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
 the guarantor in the guarantee dated \_\_\_\_\_  
 made between \_\_\_\_\_  
 and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
 he/she had executed the guarantee.

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

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

\_\_\_\_\_  
 Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
 Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 17<sup>th</sup> day of January, 2023.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of

CMD Holdings Inc.

(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

This is an unlimited Guarantee and the Guarantor's liability to the Bank under this Guarantee shall not be limited as to amount.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;



- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## 5. Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## 6. Demand for Payment

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**COLLISION KINGS GROUP INC.**

Per:   
(authorized signature) Shane Daerden, President

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

[Name of Guarantor]

Per: \_\_\_\_\_  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_,  
the guarantor in the guarantee dated \_\_\_\_\_  
made between

\_\_\_\_\_ and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

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

\_\_\_\_\_  
Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE  
(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of EAST LAKE COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.



**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**MAYLAND HEIGHTS COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**SUNRIDGE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

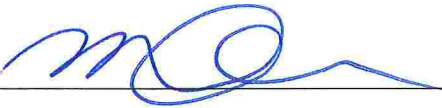
Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. Shane Daerden,  
the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated March 10, 2022  
made between  
Arrow Autobody Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and  
Sunridge Collision Ltd.  
and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that  
he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.


CERTIFIED by Melissa Cattini,  
Barrister and Solicitor at the  
city of Winnipeg,  
in the Province of Manitoba, this 10 day of March, 2022.

  
\_\_\_\_\_  
Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

  
\_\_\_\_\_  
Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of MAYLAND HEIGHTS COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.



## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.

This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**EAST LAKE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**SUNRIDGE COLLISION LTD.**

Per: [Signature]  
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. \_\_\_\_\_ - Shane Daerden \_\_\_\_\_,

the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated march 10, 2022 made between Arrow Autobody Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and Sunridge Collision Ltd.

and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

CERTIFIED by melissa cattini \_\_\_\_\_,

Barrister and Solicitor at the

city \_\_\_\_\_ of Winnipeg,

in the Province of Manitoba, this 10 day of March, 2022.

Signature



**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor



This **Guarantee** is made as of the 10 day of MARCH, 2022.

Whereas the undersigned (each hereinafter referred to as the "Guarantor") has agreed to provide The Toronto-Dominion Bank (hereinafter referred to as the "Bank") with a guarantee of the Obligations (as hereinafter defined) of SUNRIDGE COLLISION LTD.  
(the "Customer");

And whereas the Guarantor has agreed that if the guarantee herein is not enforceable, the Guarantor will indemnify the Bank or be liable as primary obligor.

**NOW THEREFORE**, in consideration of the Bank dealing with the Customer now or in the future and/or for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees with the Bank as follows:

**1. Obligations Guaranteed**

The Guarantor unconditionally and irrevocably guarantees payment of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred of the Customer to the Bank, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Customer, in any currency, whether incurred by the Customer alone or jointly with another or others and whether as a indemnitor or surety, including interest thereon and all amounts owed by the Customer for fees, costs and expenses (collectively referred to as the "Obligations").

**2. Extent of Guarantor's Liability**

In no event shall the amount recoverable by the Bank from the Guarantor under this Guarantee exceed SEVEN HUNDRED FIFTY THOUSAND dollars in lawful money of Canada (Cdn. \$ 750,000), plus the costs and expenses of the Bank in enforcing this Guarantee and interest as provided in Section 7.

**3. Indemnity/Primary Obligation**

If (i) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 for any reason, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Bank from and against all losses resulting from the failure of the Customer to pay such Obligations, and (ii) any Obligations are not duly paid by the Customer and are not recoverable under Section 1 or the Bank is not indemnified under clause (i) above of this Section 3, for any reason, such Obligations will, as a separate and distinct obligation, be paid by and recoverable from the Guarantor as primary obligor.

The liabilities of the Guarantor under Section 1 and each of clauses (i) and (ii) of this Section 3 are separate and distinct from each other, but the provisions of this Agreement shall apply to each of such liabilities unless the context otherwise requires.

**4. Nature of Guarantor's Liability**

The liability of the Guarantor under this Guarantee is continuing, absolute and unconditional and will not be affected by any act, omission, event or circumstance that might constitute a legal or equitable defence (any and all such legal and equitable defences are hereby expressly waived by the Guarantor) to or a discharge, limitation or reduction of the liability of the Guarantor hereunder, other than as a result of the indefeasible payment in full of the Obligations, including:

- (a) the unenforceability of any of the Obligations for any reason, including as a result of the act of any governmental authority;

- (b) any irregularity, fraud, illegality, defect or lack of authority or formality in incurring the Obligations, notwithstanding any inquiry that may or may not have been made by the Bank;
- (c) failure of the Bank to comply with or perform any agreements relating to the Obligations;
- (d) any discontinuance, renewal, extension, increase or reduction in the amount, or any other variance of any loans or credits now or hereafter made available to the Customer by the Bank or guaranteed by the Customer to the Bank or any other change to any of the terms or conditions of any of the Obligations (including, without limitation, respecting rates of interest, fees or charges, maturity dates), or any waiver by the Bank respecting any of the Obligations;
- (e) the taking of or the failure by the Bank to take a guarantee from any other person;
- (f) any release, compromise, settlement or any other dealing with any person, including any other Guarantor;
- (g) the reorganization of the Customer or its business (whether by amalgamation, merger, transfer, sale or otherwise); and in the case of an amalgamation or merger, the liability of the Guarantor shall apply to the Obligations of the resulting or continuing entity and the term "Customer" shall include such resulting or continuing entity;
- (h) the current financial condition of the Customer and any change in the Customer's financial condition;
- (i) any change in control or ownership of the Customer, or if the Customer is a general or limited partnership, any change in the membership of that partnership or other entity;
- (j) any change in the name, articles or other constating documents of the Customer, or its objects, business or capital structure;
- (k) the bankruptcy, winding-up, dissolution, liquidation or insolvency of the Customer or any proceedings being taken by or against the Customer with respect thereto, and any stay of or moratorium on proceedings by the Bank against the Customer as a result thereof;
- (l) a breach of any duty of the Bank (whether fiduciary or in negligence or otherwise) and whether owed to the Guarantor, the Customer or any other person;
- (m) any lack or limitation of power, capacity or legal status of the Customer, or, if the Customer is an individual, the death of the Customer;
- (n) the Customer's account being closed or the Bank ceasing to deal with the Customer;
- (o) any taking or failure to take any security by the Bank, any loss of or diminution in value of any security, the invalidity, unenforceability, subordination, postponement, release, discharge or substitution, in whole or in part, of any security, or the failure to perfect or maintain perfection or enforce any security; or
- (p) any failure or delay by the Bank in exercising any right or remedy respecting the Obligations or under any security or guarantee.

## **5. Continuing Guarantee**

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Bank and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Bank. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Bank as a result of the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of the Customer or the Guarantor, all as though such payment had not been made.

## **6. Demand for Payment**

The Guarantor shall make payment to the Bank under this Guarantee immediately upon receipt of a written demand for payment from the Bank. If any Obligation is not paid by the Customer when due, the Bank may treat all Obligations as due and payable by the Customer and may demand immediate payment under this Guarantee of all or some of the Obligations whether such other Obligations would otherwise be due and payable by the Customer at such time or whether or not any demands, steps or proceedings have been made or taken by the Bank against the Customer or any other person respecting all or any of the Obligations. If any stay of or moratorium on proceedings by the Bank against the Customer is imposed in respect of any Obligation, the Bank may nevertheless demand immediate payment of such Obligation from the Guarantor as if such Obligation was due and payable by the Customer.

**7. Interest**

If the Guarantor does not make immediate payment in full of the Obligations when demand for payment has been made by the Bank, the Guarantor shall pay interest on any unpaid amount to the Bank at the highest rate of interest per annum that is charged on any Obligations for which payment has been demanded hereunder and which remain unpaid.

**8. State of Account**

The records of the Bank in respect of the Obligations will be prima facie evidence of the balance of the amount of the Obligations that are due and payable by the Customer to the Bank.

**9. Application of Moneys Received**

The Bank may, without notice and demand of any kind and at any time, apply any money received from the Guarantor, the Customer or any other person (including arising from any security that the Bank may from time to time hold) or any balance in any account of the Guarantor held at the Bank or any of the Bank's affiliates, to such part of the Obligations, whether due or to become due, as the Bank in its sole and absolute discretion considers appropriate, or may, in its sole and absolute discretion, refrain from applying any such money. The Bank may also revoke and alter any such application in whole or in part. If any amount that is to be applied is in a currency other than the currency of the Obligation to which such amount is to be applied, then the amount that is applied shall be converted from one currency to another using the rate of exchange for the conversion of such currency as determined by the Bank or its agents and the Bank or its agent may earn revenue on such conversion.

**10. No Set-off or Counterclaim**

The Guarantor will make all payments required to be made under this Guarantee without claiming or asserting any right of setoff or counterclaim that the Guarantor has or may have against the Customer or the Bank, all of which rights the Guarantor waives.

**11. Exhausting Recourse**

The Bank is not required to take any proceedings, exhaust its recourse against the Customer or any other Guarantor or person or under any security the Bank may from time to time hold, or take any other action, before being entitled to demand payment from the Guarantor under this Guarantee, and the Guarantor waives all benefits of discussion and division.

**12. No Representations**

There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Bank will not be bound by any representations or promises made by Customer to the Guarantor and possession of this Guarantee by the Bank will be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with, and this Guarantee will be binding on each Guarantor who has signed this Guarantee notwithstanding the non-execution thereof by any proposed guarantor.

**13. Postponement and Assignment**

The Guarantor hereby postpones payment of all present and future debts and liabilities of the Customer to the Guarantor, and as security for payment of the Obligations, the Guarantor hereby assigns such debts and liabilities to the Bank and agrees that all moneys received from the Customer by or on behalf of the Guarantor shall be held in trust for the Bank and forthwith upon receipt paid over to the Bank, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Bank under this Guarantee. This assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Guarantee and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

**14. Subrogation**

The Guarantor will not be entitled to be subrogated to the rights of the Bank against the Customer, to be indemnified by the Customer or to claim contribution from any other Guarantor until the Guarantor makes indefeasible payment to the Bank of all amounts owing by the Guarantor to the Bank under this Guarantee and the Obligations are indefeasibly paid in full.

## **15. Bankruptcy of Customer**

Upon the bankruptcy or winding up or other distribution of assets of the Customer or of any surety or Guarantor for the Obligations, the Bank's rights shall not be affected by the Bank's failure to prove its claim and the Bank may prove such claim if and in any manner as it deems appropriate in its sole discretion. The Bank may value as it sees fit or refrain from valuing any security held by the Bank without in any way releasing, reducing or otherwise affecting the liability of the Guarantor to the Bank, and until all the Obligations of the Customer to the Bank have been indefeasibly paid in full, the Bank shall have the right to include in its claim the amount of all sums paid by the Guarantor to the Bank under this Guarantee and to prove and rank for and receive dividends in respect of such claim, any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to the Bank.

## **16. Costs and Expenses**

The Guarantor agrees to pay all costs and expenses, including legal fees, of enforcing this Guarantee including the charges and expenses of the Bank's in-house lawyers. The Guarantor will pay all legal fees on a solicitor and own client basis.

## **17. Other Guarantees and Security**

The liability of the Guarantor under any other guarantee or guarantees given to the Bank in connection with the Obligations shall not be affected by this Guarantee, nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Customer, the intention being that the liability of the Guarantor under such other guarantee or guarantees and this Guarantee, and under such other note or notes and this Guarantee, shall be cumulative. Nor shall the Bank be required to marshal in favour of the Guarantor other guarantees granted by other persons or any security, money or other property that the Bank may be entitled to receive or may have a claim upon.

## **18. Amendment and Waivers**

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Bank. No waiver by the Bank of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the Bank and, unless otherwise provided in the written waiver, will be limited to the specific breach waived. No delay in the exercise of any right or remedy by the Bank shall operate as a waiver thereof. No failure to exercise a right or remedy or partial exercise of a right or remedy by the Bank shall preclude other or further exercise thereof or the exercise of any other right or remedy by the Bank.

## **19. Discharge**

The Guarantor will not be released or discharged from its obligations hereunder except by a written release or discharge signed by the Bank.

## **20. General**

This Guarantee shall be binding on the successors of the Guarantor or, if the Guarantor is an individual, the heirs, executors, administrators and other legal representatives of the Guarantor, and shall enure to the benefit of the successors and assigns of the Bank.

If more than one Guarantor has signed this Guarantee, each Guarantor shall be jointly and severally liable under this Guarantee.

To the extent that any limitation period applies to any claim for payment hereunder of the Obligations or remedy for the enforcement of such payment, the Guarantor agrees that any such limitation period is excluded or waived, but if such exclusion and waiver is not permitted by applicable law, then any limitation period is extended to the maximum length permitted by applicable law.

Any notice or demand which the Bank may wish to give under this Guarantee may be personally served on the Guarantor or sent by ordinary mail or electronic mail to the last known address of the Guarantor. Any notice that is sent by ordinary mail shall be conclusively deemed to have been received on the fifth day following the day on which it is mailed. Any notice that is sent by electronic mail shall be conclusively deemed to have been received on the day it is sent.

If any provision of this Guarantee is determined by any court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Guarantee.



This Guarantee shall be governed by and construed in accordance with the laws of the Province of MANITOBA and the laws of Canada applicable therein.

Any word herein contained importing the singular number shall include the plural and any word importing a person shall include a corporation, partnership, firm and any other entity.

Subject to Section 17, this Guarantee constitutes the entire agreement between the Guarantor and the Bank with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto.

Each of the undersigned acknowledges receipt of a copy of this Guarantee.

**ARROW AUTO BODY LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**CMD GLASS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**EAST LAKE COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**ROYAL VISTA COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**STATHKO INVESTMENTS LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**MAYLAND HEIGHTS COLLISION LTD.**

Per:   
(authorized signature)

Per: \_\_\_\_\_  
(authorized signature)

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_

**Personal Guarantee**

Signature of Guarantor: \_\_\_\_\_

Print name: \_\_\_\_\_



I HEREBY CERTIFY THAT:

1. Shane Daerden

the Guarantor, director and authorized signatory for and on behalf of each in the guarantee dated March 10, 2022 made between

Arrow Autobody Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and Mayland Heights Collision Ltd.

and The Toronto-Dominion Bank, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.

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

CERTIFIED by Melissa

Barrister and Solicitor at the

city of Winnipeg,

in the Province of Manitoba, this 10 day of March, 2022.

Signature



STATEMENT OF GUARANTOR

I am the person named in this certificate.

Signature of Guarantor



ACKNOWLEDGMENT OF GUARANTEE

(Section 31)

CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

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

Given at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, under my hand and seal of office.

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR A NOTARY PUBLIC IN  
AND FOR \_\_\_\_\_

STATEMENT OF GUARANTOR

I am the person named in this certificate.

\_\_\_\_\_  
Signature of Guarantor

## **SUBORDINATION AND PRIORITY AGREEMENT**

---

THIS AGREEMENT DATED August 1st, 2019.

**AMONG:**

**DON GOLDEN AUTO BODY LTD.**  
(the "Vendor")

**AND:**

**THE TORONTO-DOMINION BANK**  
(the "Lender")

**AND:**

**COLLISION KINGS 3 LTD.**  
(the "Customer")

**WHEREAS:**

- A. The Customer may or has granted or agreed to grant to the Vendor a security interest in all of the Customer's present and after-acquired real and personal property, and/or such other security as the Vendor may from time to time receive from the Customer to secure present and future debts and obligations of the Customer, both direct and indirect, to the Vendor (collectively, the "Vendor Security");
- B. The Customer has granted or agreed to grant to the Lender a security interest in all of the Customer's present and after-acquired real and personal property, and such other security as the Lender may from time to time receive from the Customer to secure present and future debts and obligations of the Customer, both direct and indirect, to the Lender (collectively, the "Lender Security");
- C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the Vendor Security and the Lender Security;

**NOW THEREFORE** in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto covenant and agree as follows:

### **ARTICLE 1 - ACKNOWLEDGEMENT**

- 1.01 The Vendor hereby acknowledges its consent to the creation and issue by the Customer to the Lender of the Lender Security and to the incurring by the Customer of the indebtedness evidenced thereby.
- 1.02 The Lender hereby acknowledges its consent to the creation and issue by the Customer to the Vendor of the Vendor Security and to the incurring by the Customer of the indebtedness evidenced thereby.

## **ARTICLE 2 - INTERPRETATION**

2.01 The preamble hereto forms an integral part of this Agreement.

## **ARTICLE 3 - PRIORITIES**

3.01 The Vendor Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to all of the Customer's present and after-acquired property, both real and personal, to the extent of the Customer's indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith, including legal fees on a solicitor and his own client basis.

3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration or perfection of any security interest held by the Vendor or the Lender;
- (b) the date of any advance or advances made to the Customer by the Lender or the Vendor;
- (c) the date of default by the Customer under any of the Vendor Security or the Lender Security or the dates of crystallization of any floating charges held by the Vendor or the Lender;
- (d) the date(s) any demand(s) for payment are made, the date(s) any notice(s) are given and any failure to make or give such demand(s) or notice(s);
- (e) the times of realization upon the property subject to the Lender Security or the Vendor Security, or any part of parts thereof; or
- (f) any priority granted by any principle of law or any statute.

3.03 Any proceeds, including, without limitation, any insurance proceeds received by the Customer, the Vendor or the Lender in respect of the collateral charged by the Vendor Security and/or the Lender Security shall be dealt with according to the preceding provisions hereof as though such proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.

3.04 If any of the Vendor Security or the Lender Security is claimed or found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim and has provided the other party with a satisfactory indemnity.

- 3.05 The Customer shall permit the Lender and its employees, agents and contractors, access at all reasonable times to any property and assets of the Customer and shall permit the Lender to remove such property and assets from the premises of the Customer, at all reasonable times without interference, provided that the Lender shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 The Vendor hereby acknowledges that all advances by the Lender to the Customer from time to time shall have full priority over any amount owed or owing to the Vendor by the Customer, to the same effect as if the advances made by the Lender were secured and advanced prior to the advance of any monies secured by the Vendor Security and the registration of the Vendor Security.
- 3.07 Each of the Lender and the Vendor shall advise the other in writing of: (a) any occurrence of an event which constitutes or with notice or lapse of time or both would constitute an event of default under any agreement between the Lender and the Customer or the Vendor and the Customer or which otherwise entitles the either of the Lender or the Vendor to enforce the its security (a "**Customer Default**"); and (b) any waiver by either the Lender or the Vendor of any anticipated Customer Default, within five (5) days of the occurrence of such event or waiver, as the case may be. Further, the Vendor hereby agrees that it may not amend any of the Vendor Security, any agreement evidencing or otherwise relating to the indebtedness owing by the Customer to the Vendor, or any other agreement between the Vendor and the Customer, without Lender's prior written consent.
- 3.08 Each of the parties hereto covenant and agree that the Customer shall not pay or deliver to the Vendor, nor shall the Vendor be entitled to receive, any payment, prepayment, set-off or otherwise, any payment amount (whether on account of principal or interest), credit or reduction of all or any part of the Vendor Security or any security therefor during a Customer Default, and any amounts so received by the Vendor will be held in trust for the Lender and immediately paid over to the Lender.
- 3.09 The Vendor agrees that until repayment and satisfaction of all indebtedness secured by the Lender Security, the Vendor will not take any steps to enforce any of its remedies under or in connection with the Vendor Security, unless the Vendor has provided one hundred twenty (120) days' written notice to the Lender of its intention to take steps to enforce any of its remedies, and has provided the Lender with an opportunity to correct any Customer Default (or otherwise) which gives rise to the proposed enforcement.

#### **ARTICLE 4 - COVENANTS OF THE CUSTOMER**

- 4.01 The Customer hereby confirms to and agrees with the Vendor and the Lender that so long as any of the indebtedness of the Customer to the Lender and the Vendor remains outstanding, it shall stand possessed of its assets so charged for the Vendor and the Lender in accordance with their respective interests and priorities as herein set out.

**ARTICLE 5 - GENERAL**

- 5.01 From time to time upon request therefor the Vendor and the Lender may advise each other of the particulars of the indebtedness and liability of the Customer to each other and all security held by each therefor.
- 5.02 The Vendor and the Lender each agree that it will not transfer or assign any of its security from the Customer without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.
- 5.03 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:
- for the Vendor:
- Address: PO Box 23209, RPO Prairie Mall, Grande Prairie, Alberta  
Attention: Don Golden and Debbie Golden  
Email: [debbiegolden56@hotmail.com](mailto:debbiegolden56@hotmail.com)
- for the Lender:
- Address: 360 Main Street, Suite 2050, Winnipeg, Manitoba, R3C 3Z3  
Attention: Steve Graham  
Email: [stephen.graham@td.com](mailto:stephen.graham@td.com)
- 5.04 Each of the Customer, the Vendor and the Lender shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement; provided however, that no consent of the Customer shall be necessary to any amendment of the terms hereof by the Vendor and the Lender unless the interests of the Customer are directly affected thereby.
- 5.05 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.
- 5.06 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5.07 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement under the hands of their duly authorized officers on the date set out above.

\_\_\_\_\_  
DON GOLDEN AUTO BODY LTD.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.


\_\_\_\_\_  
COLLISION KINGS 3 LTD.

\_\_\_\_\_  
THE TORONTO-DOMINION BANK



**IN WITNESS WHEREOF** the parties hereto have executed this Agreement under the hands of their duly authorized officers on the date set out above.

**DON GOLDEN AUTO BODY LTD.**

Per:   
Name: DEBBIE GOLDEN  
Title: SECY TREAS

I have the authority to bind the corporation.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Name:  
Title:

I have the authority to bind the corporation.

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the corporation.



Investment Property Pledge Agreement  
(excluding PEI and Quebec)

To: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street, Concourse Level, Winnipeg, MB R3C 3Z8

Granted By: Collision Kings Group Inc. (the "Pledgor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Pledgor agrees with the Bank as follows:

**1. Definitions**

In this Agreement the following terms shall have the following meanings:

- (a) "this Agreement", "hereof", "hereunder" and similar expressions refer to this Investment Property Pledge Agreement (including any schedule now or hereafter annexed hereto).
- (b) "Collateral" means all of the following present and after acquired property owned by the Pledgor or in which the Pledgor has or will have any right, title, or interest:
  - (i) the Pledged Property and all certificates and instruments evidencing or representing the Pledged Property;
  - (ii) all dividends, distributions, and interest payments received or receivable upon or in respect of any of the Pledged Property, whether paid in kind, money or property;
  - (iii) all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, in substitution for, in addition to, or in exchange or replacement for, any of the foregoing; and
  - (iv) all proceeds of any of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby.
- (c) "Delivery", "Delivers" and "Delivered" means:
  - (i) in the case of certificated securities, transfer to the Bank by physical delivery of the security certificates, endorsed for transfer or accompanied by stock powers of attorney duly executed in blank;
  - (ii) in the case of uncertificated securities (A) registration on the books and records of the issuer thereof in the name of the Bank, or (B) the execution and delivery by the issuer of an agreement (an "Issuer Control Agreement") pursuant to which such issuer agrees to comply with instructions from the Bank without consent of the Pledgor;
  - (iii) in the case of security entitlements (A) completion of all acts necessary to make the Bank the entitlement holder with respect to each security entitlement, or (B) the execution and delivery by the relevant securities intermediary of an agreement (an "Account Control Agreement" and together with an Issuer Control Agreement, "Control Agreements") pursuant to which such securities intermediary agrees to comply with entitlement orders from the Bank without consent of the Pledgor; and
  - (iv) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in any Collateral in favour of the Bank.
- (d) "Event of Default" has the meaning set out in Section 6 of this Agreement.
- (e) "Obligations" means all present and future indebtedness, liabilities and obligations of the Pledgor to the Bank whether direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Pledgor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Pledgor, and in any currency, whether incurred by the Pledgor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Pledgor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement.
- (f) "Pledged Issuer" means any issuer of Pledged Property from time to time.  
Click on the applicable option:  Limited to Certain Securities/Securities Account(s) identified on Schedule A  Unlimited

(g) "PPSA" means the *Personal Property Security Act* of the jurisdiction in which the Branch of the Bank is located, as amended from time to time.

(h) "STA" means the *Securities Transfer Act* of the jurisdiction in which the Branch of the Bank is located, as amended from time to time.

The terms "certificated security", "control", "financial asset", "securities account", "securities intermediary", "security", "security certificate", "security entitlement" and "uncertificated security" whenever used herein have the meanings given to those terms in the STA.

The terms "investment property" and "proceeds" whenever used herein has the meaning given to that term in the PPSA.

## 2. Pledge

As general and continuing security for the payment and performance of the Obligations, the Pledgor assigns, mortgages, charges and pledges to the Bank and grants to the Bank a first priority security interest in the Collateral. The Pledgor hereby Delivers the Collateral to the Bank.

## 3. Voting and Other Rights

(a) Until the occurrence of an Event of Default:

- (i) the Pledgor is entitled to exercise all voting rights and give consents, waivers, notices and ratifications, in respect of the Collateral, provided, however, that no such action may be taken which could (A) be prejudicial to the interests of the Bank, (B) impair or reduce the value of the Collateral, (C) restrict the transferability of the Collateral, or (D) be inconsistent with or violate any provisions of this Agreement or any other agreement between the Pledgor and the Bank;
- (ii) the Bank will, at the written request and expense of the Pledgor, execute and deliver to the Pledgor all proxies, voting powers or powers of attorney in respect of the Collateral that are registered in the name of the Bank or its nominee(s) as may be required for the Pledgor to exercise its rights in Section 3(a)(i);
- (iii) the Bank will deliver promptly to the Pledgor all notices or other communications respecting the Collateral received by it or its nominee(s) as the registered owner;
- (iv) the Pledgor shall be entitled to receive, retain and otherwise deal with all dividends and distributions (whether paid or distributed in kind, money or property) and all interest payments in respect of the Pledged Property and the Bank shall forthwith deliver to the Pledgor any such dividends, distributions and interest payments, received by the Bank.

(b) Upon the occurrence of an Event of Default which is continuing:

- (i) all rights of the Pledgor pursuant to Section 3(a) shall immediately cease and the Bank will have the right to exercise all of the rights and powers related to the Collateral, including the right to vote;
- (ii) the Bank will have the sole and exclusive right to receive, retain and otherwise deal with all payments that the Pledgor would otherwise be authorized to retain pursuant to Section 3(a)(iv). The Bank shall, to the extent permitted by applicable law, be entitled to apply any such amounts on account of the Obligations or may retain such amounts as additional Collateral to be applied in accordance with the provisions of this Agreement; and
- (iii) the Pledgor waives all rights to receive any notices or communications respecting the Collateral received by the Bank or its nominee(s) and agrees that no proxy issued by the Bank as provided in Section 3(a)(ii) shall thereafter be effective.

## 4. Representations and Warranties

The Pledgor represents and warrants, which representations and warranties are deemed to be continuously repeated for so long as this Agreement remains in effect, that:

- (a) the address of its chief executive office ("**Head Office**") is set out below the Pledgor's name on the signature page of this Agreement;
- (b) it is the legal, registered and beneficial owner of, and has good title to, the Collateral subject only to the security interests created by this Agreement and to any security interest granted to a securities intermediary and consented to by the Bank in a Control Agreement;
- (c) all securities forming part of the Pledged Property have been duly authorized, validly issued and are fully paid and non-assessable;
- (d) there are no restrictions on the voting rights or on the transfer of any of the Collateral and there are no outstanding warrants, options or other rights to purchase or other agreements outstanding with respect to any of the Collateral;
- (e) any interest in a limited partnership that now, or at any time, forms part of the Collateral, is, and will be, a "security" for the purposes of the STA;
- (f) it has the power and authority to enter into this Agreement, pledge the Collateral and grant to the Bank the security interests created hereunder;

- (g) this Agreement has been duly executed and delivered by the Pledgor and constitutes an enforceable obligation against it in accordance with its terms;
- (h) none of the rights of the Pledgor arising as the legal and beneficial owner of the Collateral have been assigned, transferred, surrendered, cancelled or terminated except as set forth in this Agreement;
- (i) all necessary approvals and consents have been obtained in order to permit the Pledgor to grant the security interests in the Collateral and to permit the transfer of the Collateral from time to time, to the Bank or its nominee or to any receiver as set out in this Agreement;
- (j) no distributions due or to become due under the Collateral on any date subsequent to the date of this Agreement have been collected in advance of the time when the same becomes due under the terms of the Collateral; and
- (k) there is no default or dispute existing in respect of any of the Collateral.

## 5. Covenants

The Pledgor covenants and agrees with the Bank that:

- (a) it shall Deliver to the Bank all of the Collateral promptly upon such Collateral being, or coming into, its possession or control;
- (b) during the continuance of an Event of Default, if the Pledgor receives any dividends, distributions or interest payments in respect of the Collateral, the Pledgor shall hold such property in trust for the Bank segregated from other funds of the Pledgor, as part of the Collateral until such property is Delivered or paid over to the Bank;
- (c) it shall not, without the prior written consent of the Bank, (i) sell, assign, transfer, exchange or otherwise dispose of the Collateral or (ii) create, assume or suffer to exist any lien, security interest or encumbrance upon the Collateral;
- (d) it shall advise the Bank promptly, in reasonable detail of any:
  - (i) change to a security intermediary's jurisdiction or Pledged Issuer's jurisdiction;
  - (ii) change in its jurisdiction of incorporation or in the address of its Head Office;
  - (iii) occurrence of an Event of Default or any event that could reasonably be expected to have a material adverse effect on the Bank's security interest hereunder or the value of the Collateral; or
  - (iv) any lien or encumbrance on, or claim asserted against, any of the Collateral.
- (e) it shall defend the Collateral against all claims and demands made by any person other than the Bank at any time;
- (f) it shall deliver promptly to the Bank copies of all notices or other communications received by it in respect of the Collateral; and
- (g) it shall forthwith at its own expense duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement.

## 6. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of any of the following events (each, an "Event of Default"):

- (a) the Pledgor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Pledgor fails to perform or comply with any provision of this Agreement or of any other agreement between the Bank and the Pledgor;
- (c) if any certificate, statement, representation or warranty furnished to the Bank at any time by or on behalf of the Pledgor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or enter into this or any other agreement with the Pledgor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement or warranty, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Pledgor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Pledgor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Pledgor transfers all or substantially all of its assets to another person;
- (e) a receiver, trustee, custodian or similar official is appointed in respect of the Pledgor or any of the Pledgor's property;
- (f) the institution by or against the Pledgor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Pledgor;

- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Pledgor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Pledgor fails to make payment when due under any guarantee given by the Pledgor;
- (i) if the Pledgor is an individual, the Pledgor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Pledgor;
- (k) if the Pledgor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure.

## **7. Remedies**

Upon the occurrence of an Event of Default, and with or without notice or demand (i) any or all of the Obligations will at the option of the Bank become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived; (ii) the obligation, if any, of the Bank to extend further credit to the Pledgor will cease; (iii) the security interests created hereunder shall become enforceable; and (iv) the Bank may, forthwith or at any time thereafter, in addition to any rights of the Bank now or hereafter existing under applicable law, take any one or more of the following actions:

- (a) realize on and sell, transfer, assign or otherwise, dispose of any or all of the Collateral by private sale, public sale or otherwise upon such terms and conditions as the Bank considers to be commercially reasonable, and the Bank may apply and allocate any proceeds arising from such disposition to the Obligations in its absolute discretion;
- (b) purchase any of the Collateral whether in connection with a sale, pursuant to judicial proceedings or otherwise or dispose of the Collateral to a customer of the Bank;
- (c) exercise any or all of the rights and privileges attaching to the Collateral and deal with the Collateral as if the Bank was the absolute owner thereof, including: (i) causing the Collateral to be transferred to or registered in the name of the Bank, its nominee or a receiver; (ii) voting all or any of the Collateral, whether or not registered in the name of the Bank, its nominee or a receiver, and (iii) giving or withholding all consents, waivers and ratifications in respect of the Collateral;
- (d) commence legal action against the Pledgor for the difference, if any, between (i) all amounts owing by the Pledgor in respect of the Obligations, and (ii) the proceeds received by the Bank on a disposition of any part of the Collateral;
- (e) in the name of the Pledgor perform, at the Pledgor's expense any and all obligations or covenants of the Pledgor relating to the Collateral and enforce performance by the other parties of their obligations, covenants and agreements in relation to the Collateral including by the institution and prosecution of proceedings as may be necessary or desirable in the discretion of the Bank for such enforcement and the settlement of any disputes with parties upon such terms and conditions as the Bank considers to be commercially reasonable;
- (f) by instrument in writing, appoint a receiver of all or any part of the Collateral and remove or replace any receiver so appointed; and any receiver so appointed shall have the authority to do any of the acts specified in this Section 7; or
- (g) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement or by law or in equity (including giving entitlement orders or instructions to a securities intermediary or an issuer subject to a Control Agreement).

## **8. Power of Attorney**

Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor irrevocably constitutes and appoints the Bank as the true and lawful attorney of the Pledgor with power of substitution in the name of the Pledgor to do any and all such acts and things and execute and deliver all such agreements, documents and instruments as the Bank in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise its rights and remedies hereunder. The Pledgor hereby ratifies and agrees to ratify all acts taken or done in accordance with this Section 8. This power of attorney being coupled with an interest shall not be revoked or terminated by any act or thing and shall remain in full force and effect until this Agreement has been terminated.

## 9. Expenses and Indemnity

- (a) The Pledgor agrees to pay all reasonable out-of-pocket costs and expenses (including legal fees) incurred by the Bank in connection with (i) the preparation, execution and delivery of this Agreement, (ii) any amendments, modifications or waivers of the provisions hereof, and the enforcement or protection of its rights under this Agreement, all of which constitute Obligations.
- (b) The Pledgor hereby indemnifies the Bank against, and holds it harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind to which the Bank may become subject in connection with (i) any aspect of this Agreement, (ii) any actual or prospective claim or proceeding relating to this Agreement, (iii) the enforcement of the Bank's rights hereunder and any related investigation, defence, litigation; provided that such indemnity shall not be available to the Bank to the extent such losses, claims, damages liabilities or expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence of wilful misconduct of the Bank.
- (c) All amounts due under this Section 9 shall be payable to the Bank not later than three business days after written demand therefor and the indemnities set out herein will survive the termination of this Agreement and the release of any security interests granted hereunder.

## 10. Rights and Remedies Cumulative

The rights and remedies given to the Bank hereunder shall be cumulative of and not in substitution for any rights or remedies to which the Bank may be entitled under this Agreement or any other loan or security agreements between the Pledgor and the Bank or which may be available at law or in equity and may be exercised whether or not the Bank has pursued or is pursuing any other such rights or remedies.

## 11. Obligations of the Bank

In holding the Collateral, the Bank and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value. The Bank shall not be under any obligation, or be liable or accountable for any failure, to enforce payment or performance of the Obligations or to seize, collect, realize or obtain payment with respect to the Collateral or to preserve any rights of the Bank, the Pledgor or any other person in respect of the Collateral or to exercise or exhaust any of its rights and remedies hereunder or under or with respect to the Collateral and shall not be under any obligation to institute proceedings for any such purposes. The Bank shall not be responsible for any loss occasioned by any sale or other dealing with the Collateral or by retention of or failure to sell or otherwise deal therewith or be bound to protect the Collateral from depreciating in value other than as a result of wilful misconduct or gross negligence.

The Bank may grant extensions of time, take and perfect or abstain from taking and perfecting security, give up securities, accept compositions or compromises, grant releases and discharges, and release any part of the Collateral or otherwise deal with the Pledgor, debtors of the Pledgor, sureties and others and with the Collateral and other security as the Bank sees fit without prejudice to the liability of the Pledgor to the Bank or the Bank's rights hereunder.

## 12. Miscellaneous

- (a) **Interpretation.** In this Agreement: (i) words importing the singular number only shall include the plural and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; and (iv) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a business Day, such payment shall be made or action taken on the next following business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Pledgor shall not assert against any assignee any claim or defence which the Pledgor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Pledgor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Pledgor" shall apply to each of the amalgamating companies and to the amalgamated company, such that the security interest granted hereby (i) shall extend to "Collateral" in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Pledgor, the term "Pledgor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Pledgor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

- (e) **Attachment.** The Pledgor acknowledges that value has been given and that the security interest granted hereby will attach when the Pledgor signs this Agreement and will attach to Collateral in which the Pledgor subsequently acquires any rights, immediately upon the Pledgor acquiring such rights. The parties do not intend to postpone the time for attachment of any security interest created by this Agreement.
- (f) **Entire Agreement.** This Agreement together with any Control Agreement delivered to the Bank pursuant to the terms hereof contains the entire agreement between the parties relating to the security interests granted in this Agreement. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement or any Control Agreement.
- (g) **Amendments.** This Agreement may not be modified or amended except in writing and executed by the parties hereto.
- (h) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (i) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (j) **Assignment.** The Bank may assign or transfer any rights under this Agreement without the consent of the Pledgor. The Pledgor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (k) **Counterparts.** This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which shall be deemed to be an original agreement. All counterparts shall be construed together and shall constitute one and the same agreement. Any delivery of an executed copy of this Agreement by way of telecopy, facsimile or other electronic transmission shall constitute delivery hereof.
- (l) **Acknowledgment.** The Pledgor acknowledges receipt of a fully executed copy of this Agreement.
- (m) **Non-Substitution.** The security interest created under this Agreement is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (n) **Term.** This Agreement shall remain in full force and effect until discharged by the Bank.
- (o) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Pledgor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Pledgor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (p) **Waiver by the Pledgor.** The Pledgor waives protest of any instrument constituting Collateral at any time held by the Bank on which the Pledgor is in any way liable and notice of any other action taken by the Bank.
- (q) **Information.** The Bank may provide any financial and other information it has about the Pledgor, the security interest and the Collateral to anyone acquiring or who may acquire an interest in the security interest or the Collateral from the Bank or anyone acting on behalf of the Bank.

The Pledgor has executed this Agreement this 17<sup>th</sup> day of January, 2023.

COLLISION KINGS GROUP INC.

By:   
 Name: Shane Daerden  
 Title: President

By: \_\_\_\_\_  
 Name:  
 Title:

By: \_\_\_\_\_  
 Name:  
 Title:

Address of Head Office: 171 Waterloo Street  
Winnipeg, MB  
R3N 0S4

## SCHEDULE A

"Pledged Property" means the following property:

*Check all options that apply*

**Pledged Securities**

All of the securities, security entitlements, financial assets, shares, bonds, notes, units or other interests in which the Pledgor currently has, or hereafter acquires an interest, as described below:

Description of Security (type of security and name of Pledged Issuer)	No. of Shares/Units	Class of Share or Maturity of Bond	Certificate Numbers (only for certificated securities)
All of the issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.	90	Class A Common	A-1

**Pledged Account(s)**

All present and after-acquired securities, security entitlements, financial assets, investment property, shares, bonds, notes, units or other interests and assets of whatever type or kind deposited in or credited to the account(s) described below.

Intermediary	Account Number



RESOLUTION AUTHORIZING EXECUTION OF  
INVESTMENT PROPERTY PLEDGE AGREEMENT

"RESOLVED THAT:

- (a) The President \_\_\_\_\_ ~~and the~~ \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank an Investment Property Pledge Agreement, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the Investment Property Pledge Agreement so executed is the Investment Property Pledge Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the Investment Property Pledge Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Sole Director of Collision Kings Group Inc. \_\_\_\_\_ and that the said Resolution is now in full force and effect.



\_\_\_\_\_  
Shane Daerden, President



Investment Property Pledge Agreement  
(excluding PEI and Quebec)

To: The Toronto-Dominion Bank (the "Bank")

Branch of the Bank: Branch # 6330, 360 Main Street, Concourse Level, Winnipeg, MB R3C 3Z8

Granted By: Collision Kings Group Inc. (the "Pledgor")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Pledgor agrees with the Bank as follows:

**1. Definitions**

In this Agreement the following terms shall have the following meanings:

- (a) "this Agreement", "hereof", "hereunder" and similar expressions refer to this Investment Property Pledge Agreement (including any schedule now or hereafter annexed hereto).
- (b) "Collateral" means all of the following present and after acquired property owned by the Pledgor or in which the Pledgor has or will have any right, title, or interest:
- (i) the Pledged Property and all certificates and instruments evidencing or representing the Pledged Property;
  - (ii) all dividends, distributions, and interest payments received or receivable upon or in respect of any of the Pledged Property, whether paid in kind, money or property;
  - (iii) all other property that may at any time be received or receivable by or otherwise distributed to the Pledgor in respect of, in substitution for, in addition to, or in exchange or replacement for, any of the foregoing; and
  - (iv) all proceeds of any of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby.
- (c) "Delivery", "Delivers" and "Delivered" means:
- (i) in the case of certificated securities, transfer to the Bank by physical delivery of the security certificates, endorsed for transfer or accompanied by stock powers of attorney duly executed in blank;
  - (ii) in the case of uncertificated securities (A) registration on the books and records of the issuer thereof in the name of the Bank, or (B) the execution and delivery by the issuer of an agreement (an "Issuer Control Agreement") pursuant to which such issuer agrees to comply with instructions from the Bank without consent of the Pledgor;
  - (iii) in the case of security entitlements (A) completion of all acts necessary to make the Bank the entitlement holder with respect to each security entitlement, or (B) the execution and delivery by the relevant securities intermediary of an agreement (an "Account Control Agreement" and together with an Issuer Control Agreement, "Control Agreements") pursuant to which such securities intermediary agrees to comply with entitlement orders from the Bank without consent of the Pledgor; and
  - (iv) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in any Collateral in favour of the Bank.
- (d) "Event of Default" has the meaning set out in Section 6 of this Agreement.
- (e) "Obligations" means all present and future indebtedness, liabilities and obligations of the Pledgor to the Bank whether direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Pledgor or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Pledgor, and in any currency, whether incurred by the Pledgor alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Pledgor under this Agreement for fees, costs and expenses and in respect of indemnities granted under this Agreement.
- (f) "Pledged Issuer" means any issuer of Pledged Property from time to time.  
Click on the applicable option:  Limited to Certain Securities/Securities Account(s) identified on Schedule A  Unlimited

(g) "PPSA" means the *Personal Property Security Act* of the jurisdiction in which the Branch of the Bank is located, as amended from time to time.

(h) "STA" means the *Securities Transfer Act* of the jurisdiction in which the Branch of the Bank is located, as amended from time to time.

The terms "certificated security", "control", "financial asset", "securities account", "securities intermediary", "security", "security certificate", "security entitlement" and "uncertificated security" whenever used herein have the meanings given to those terms in the STA.

The terms "investment property" and "proceeds" whenever used herein has the meaning given to that term in the PPSA.

## 2. Pledge

As general and continuing security for the payment and performance of the Obligations, the Pledgor assigns, mortgages, charges and pledges to the Bank and grants to the Bank a first priority security interest in the Collateral. The Pledgor hereby Delivers the Collateral to the Bank.

## 3. Voting and Other Rights

(a) Until the occurrence of an Event of Default:

- (i) the Pledgor is entitled to exercise all voting rights and give consents, waivers, notices and ratifications, in respect of the Collateral, provided, however, that no such action may be taken which could (A) be prejudicial to the interests of the Bank, (B) impair or reduce the value of the Collateral, (C) restrict the transferability of the Collateral, or (D) be inconsistent with or violate any provisions of this Agreement or any other agreement between the Pledgor and the Bank;
- (ii) the Bank will, at the written request and expense of the Pledgor, execute and deliver to the Pledgor all proxies, voting powers or powers of attorney in respect of the Collateral that are registered in the name of the Bank or its nominee(s) as may be required for the Pledgor to exercise its rights in Section 3(a)(i);
- (iii) the Bank will deliver promptly to the Pledgor all notices or other communications respecting the Collateral received by it or its nominee(s) as the registered owner;
- (iv) the Pledgor shall be entitled to receive, retain and otherwise deal with all dividends and distributions (whether paid or distributed in kind, money or property) and all interest payments in respect of the Pledged Property and the Bank shall forthwith deliver to the Pledgor any such dividends, distributions and interest payments, received by the Bank.

(b) Upon the occurrence of an Event of Default which is continuing:

- (i) all rights of the Pledgor pursuant to Section 3(a) shall immediately cease and the Bank will have the right to exercise all of the rights and powers related to the Collateral, including the right to vote;
- (ii) the Bank will have the sole and exclusive right to receive, retain and otherwise deal with all payments that the Pledgor would otherwise be authorized to retain pursuant to Section 3(a)(iv). The Bank shall, to the extent permitted by applicable law, be entitled to apply any such amounts on account of the Obligations or may retain such amounts as additional Collateral to be applied in accordance with the provisions of this Agreement; and
- (iii) the Pledgor waives all rights to receive any notices or communications respecting the Collateral received by the Bank or its nominee(s) and agrees that no proxy issued by the Bank as provided in Section 3(a)(ii) shall thereafter be effective.

## 4. Representations and Warranties

The Pledgor represents and warrants, which representations and warranties are deemed to be continuously repeated for so long as this Agreement remains in effect, that:

- (a) the address of its chief executive office ("**Head Office**") is set out below the Pledgor's name on the signature page of this Agreement;
- (b) it is the legal, registered and beneficial owner of, and has good title to, the Collateral subject only to the security interests created by this Agreement and to any security interest granted to a securities intermediary and consented to by the Bank in a Control Agreement;
- (c) all securities forming part of the Pledged Property have been duly authorized, validly issued and are fully paid and non-assessable;
- (d) there are no restrictions on the voting rights or on the transfer of any of the Collateral and there are no outstanding warrants, options or other rights to purchase or other agreements outstanding with respect to any of the Collateral;
- (e) any interest in a limited partnership that now, or at any time, forms part of the Collateral, is, and will be, a "security" for the purposes of the STA;
- (f) it has the power and authority to enter into this Agreement, pledge the Collateral and grant to the Bank the security interests created hereunder;

- (g) this Agreement has been duly executed and delivered by the Pledgor and constitutes an enforceable obligation against it in accordance with its terms;
- (h) none of the rights of the Pledgor arising as the legal and beneficial owner of the Collateral have been assigned, transferred, surrendered, cancelled or terminated except as set forth in this Agreement;
- (i) all necessary approvals and consents have been obtained in order to permit the Pledgor to grant the security interests in the Collateral and to permit the transfer of the Collateral from time to time, to the Bank or its nominee or to any receiver as set out in this Agreement;
- (j) no distributions due or to become due under the Collateral on any date subsequent to the date of this Agreement have been collected in advance of the time when the same becomes due under the terms of the Collateral; and
- (k) there is no default or dispute existing in respect of any of the Collateral.

## 5. Covenants

The Pledgor covenants and agrees with the Bank that:

- (a) it shall Deliver to the Bank all of the Collateral promptly upon such Collateral being, or coming into, its possession or control;
- (b) during the continuance of an Event of Default, if the Pledgor receives any dividends, distributions or interest payments in respect of the Collateral, the Pledgor shall hold such property in trust for the Bank segregated from other funds of the Pledgor, as part of the Collateral until such property is Delivered or paid over to the Bank;
- (c) it shall not, without the prior written consent of the Bank, (i) sell, assign, transfer, exchange or otherwise dispose of the Collateral or (ii) create, assume or suffer to exist any lien, security interest or encumbrance upon the Collateral;
- (d) it shall advise the Bank promptly, in reasonable detail of any:
  - (i) change to a security intermediary's jurisdiction or Pledged Issuer's jurisdiction;
  - (ii) change in its jurisdiction of incorporation or in the address of its Head Office;
  - (iii) occurrence of an Event of Default or any event that could reasonably be expected to have a material adverse effect on the Bank's security interest hereunder or the value of the Collateral; or
  - (iv) any lien or encumbrance on, or claim asserted against, any of the Collateral.
- (e) it shall defend the Collateral against all claims and demands made by any person other than the Bank at any time;
- (f) it shall deliver promptly to the Bank copies of all notices or other communications received by it in respect of the Collateral; and
- (g) it shall forthwith at its own expense duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Bank may request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted by, this Agreement.

## 6. Events of Default

Obligations not payable on demand shall, at the option of the Bank, become immediately due and payable upon the occurrence of any of the following events (each, an "Event of Default"):

- (a) the Pledgor fails to pay when due, whether by acceleration or otherwise, any of the Obligations;
- (b) the Pledgor fails to perform or comply with any provision of this Agreement or of any other agreement between the Bank and the Pledgor;
- (c) if any certificate, statement, representation or warranty furnished to the Bank at any time by or on behalf of the Pledgor pursuant to or in connection with this Agreement, or as an inducement to the Bank to extend any credit to or enter into this or any other agreement with the Pledgor, is shown to have been false in any material respect or to have omitted any material fact; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement or warranty, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
- (d) the Pledgor ceases or threatens to cease to carry on business, commits an act of bankruptcy, becomes insolvent, proceedings or other actions are taken by or against the Pledgor under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation whether in Canada or elsewhere, or the Pledgor transfers all or substantially all of its assets to another person;
- (e) a receiver, trustee, custodian or similar official is appointed in respect of the Pledgor or any of the Pledgor's property;
- (f) the institution by or against the Pledgor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Pledgor;

- (g) an encumbrancer takes possession of any of the Collateral or any process of execution or distress is levied or enforced upon or against any of the Collateral;
- (h) any indebtedness or liability of the Pledgor, other than to the Bank, becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof, or the Pledgor fails to make payment when due under any guarantee given by the Pledgor;
- (i) if the Pledgor is an individual, the Pledgor dies or is found by a court to be incapable of managing his or her affairs;
- (j) an execution or any other process of any court shall become enforceable against the Pledgor;
- (k) if the Pledgor is a partnership, the death of a partner; or
- (l) any other event which causes the Bank, in good faith, to deem itself insecure.

## **7. Remedies**

Upon the occurrence of an Event of Default, and with or without notice or demand (i) any or all of the Obligations will at the option of the Bank become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonor, all of which are expressly waived; (ii) the obligation, if any, of the Bank to extend further credit to the Pledgor will cease; (iii) the security interests created hereunder shall become enforceable; and (iv) the Bank may, forthwith or at any time thereafter, in addition to any rights of the Bank now or hereafter existing under applicable law, take any one or more of the following actions:

- (a) realize on and sell, transfer, assign or otherwise, dispose of any or all of the Collateral by private sale, public sale or otherwise upon such terms and conditions as the Bank considers to be commercially reasonable, and the Bank may apply and allocate any proceeds arising from such disposition to the Obligations in its absolute discretion;
- (b) purchase any of the Collateral whether in connection with a sale, pursuant to judicial proceedings or otherwise or dispose of the Collateral to a customer of the Bank;
- (c) exercise any or all of the rights and privileges attaching to the Collateral and deal with the Collateral as if the Bank was the absolute owner thereof, including: (i) causing the Collateral to be transferred to or registered in the name of the Bank, its nominee or a receiver; (ii) voting all or any of the Collateral, whether or not registered in the name of the Bank, its nominee or a receiver, and (iii) giving or withholding all consents, waivers and ratifications in respect of the Collateral;
- (d) commence legal action against the Pledgor for the difference, if any, between (i) all amounts owing by the Pledgor in respect of the Obligations, and (ii) the proceeds received by the Bank on a disposition of any part of the Collateral;
- (e) in the name of the Pledgor perform, at the Pledgor's expense any and all obligations or covenants of the Pledgor relating to the Collateral and enforce performance by the other parties of their obligations, covenants and agreements in relation to the Collateral including by the institution and prosecution of proceedings as may be necessary or desirable in the discretion of the Bank for such enforcement and the settlement of any disputes with parties upon such terms and conditions as the Bank considers to be commercially reasonable;
- (f) by instrument in writing, appoint a receiver of all or any part of the Collateral and remove or replace any receiver so appointed; and any receiver so appointed shall have the authority to do any of the acts specified in this Section 7; or
- (g) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement or by law or in equity (including giving entitlement orders or instructions to a securities intermediary or an issuer subject to a Control Agreement).

## **8. Power of Attorney**

Effective upon the occurrence and during the continuance of an Event of Default, the Pledgor irrevocably constitutes and appoints the Bank as the true and lawful attorney of the Pledgor with power of substitution in the name of the Pledgor to do any and all such acts and things and execute and deliver all such agreements, documents and instruments as the Bank in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise its rights and remedies hereunder. The Pledgor hereby ratifies and agrees to ratify all acts taken or done in accordance with this Section 8. This power of attorney being coupled with an interest shall not be revoked or terminated by any act or thing and shall remain in full force and effect until this Agreement has been terminated.

## 9. Expenses and Indemnity

- (a) The Pledgor agrees to pay all reasonable out-of-pocket costs and expenses (including legal fees) incurred by the Bank in connection with (i) the preparation, execution and delivery of this Agreement, (ii) any amendments, modifications or waivers of the provisions hereof, and the enforcement or protection of its rights under this Agreement, all of which constitute Obligations.
- (b) The Pledgor hereby indemnifies the Bank against, and holds it harmless from, any and all losses, claims, cost recovery actions, damages, expenses and liabilities of whatsoever nature or kind to which the Bank may become subject in connection with (i) any aspect of this Agreement, (ii) any actual or prospective claim or proceeding relating to this Agreement, (iii) the enforcement of the Bank's rights hereunder and any related investigation, defence, litigation; provided that such indemnity shall not be available to the Bank to the extent such losses, claims, damages liabilities or expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence of wilful misconduct of the Bank.
- (c) All amounts due under this Section 9 shall be payable to the Bank not later than three business days after written demand therefor and the indemnities set out herein will survive the termination of this Agreement and the release of any security interests granted hereunder.

## 10. Rights and Remedies Cumulative

The rights and remedies given to the Bank hereunder shall be cumulative of and not in substitution for any rights or remedies to which the Bank may be entitled under this Agreement or any other loan or security agreements between the Pledgor and the Bank or which may be available at law or in equity and may be exercised whether or not the Bank has pursued or is pursuing any other such rights or remedies.

## 11. Obligations of the Bank

In holding the Collateral, the Bank and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value. The Bank shall not be under any obligation, or be liable or accountable for any failure, to enforce payment or performance of the Obligations or to seize, collect, realize or obtain payment with respect to the Collateral or to preserve any rights of the Bank, the Pledgor or any other person in respect of the Collateral or to exercise or exhaust any of its rights and remedies hereunder or under or with respect to the Collateral and shall not be under any obligation to institute proceedings for any such purposes. The Bank shall not be responsible for any loss occasioned by any sale or other dealing with the Collateral or by retention of or failure to sell or otherwise deal therewith or be bound to protect the Collateral from depreciating in value other than as a result of wilful misconduct or gross negligence.

The Bank may grant extensions of time, take and perfect or abstain from taking and perfecting security, give up securities, accept compositions or compromises, grant releases and discharges, and release any part of the Collateral or otherwise deal with the Pledgor, debtors of the Pledgor, sureties and others and with the Collateral and other security as the Bank sees fit without prejudice to the liability of the Pledgor to the Bank or the Bank's rights hereunder.


## 12. Miscellaneous

- (a) **Interpretation.** In this Agreement: (i) words importing the singular number only shall include the plural and vice versa; (ii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation"; (iii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time; and (iv) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a business Day, such payment shall be made or action taken on the next following business Day.
- (b) **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Pledgor shall not assert against any assignee any claim or defence which the Pledgor now has or hereafter may have against the Bank.
- (c) **Amalgamation.** The Pledgor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Pledgor" shall apply to each of the amalgamating companies and to the amalgamated company, such that the security interest granted hereby (i) shall extend to "Collateral" in which any amalgamating company has any rights at the time of amalgamation and to any "Collateral" in which the amalgamated company thereafter has any rights, and (ii) shall secure the "Obligations" of each of the amalgamating companies and the amalgamated company to the Bank at the time of amalgamation and any "Obligations" of the amalgamated company to the Bank thereafter arising.
- (d) **Joint and Several.** If there is more than one Pledgor, the term "Pledgor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Pledgor shall have the right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full, notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

- (e) **Attachment.** The Pledgor acknowledges that value has been given and that the security interest granted hereby will attach when the Pledgor signs this Agreement and will attach to Collateral in which the Pledgor subsequently acquires any rights, immediately upon the Pledgor acquiring such rights. The parties do not intend to postpone the time for attachment of any security interest created by this Agreement.
- (f) **Entire Agreement.** This Agreement together with any Control Agreement delivered to the Bank pursuant to the terms hereof contains the entire agreement between the parties relating to the security interests granted in this Agreement. There are no representations, warranties, terms and conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth in this Agreement or any Control Agreement.
- (g) **Amendments.** This Agreement may not be modified or amended except in writing and executed by the parties hereto.
- (h) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the jurisdiction where the Branch of the Bank is located.
- (i) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such invalidity or unenforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.
- (j) **Assignment.** The Bank may assign or transfer any rights under this Agreement without the consent of the Pledgor. The Pledgor may not assign its obligations under this Agreement without the prior written consent of the Bank.
- (k) **Counterparts.** This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which shall be deemed to be an original agreement. All counterparts shall be construed together and shall constitute one and the same agreement. Any delivery of an executed copy of this Agreement by way of telecopy, facsimile or other electronic transmission shall constitute delivery hereof.
- (l) **Acknowledgment.** The Pledgor acknowledges receipt of a fully executed copy of this Agreement.
- (m) **Non-Substitution.** The security interest created under this Agreement is in addition to and not in substitution for any other security now or hereafter held by the Bank.
- (n) **Term.** This Agreement shall remain in full force and effect until discharged by the Bank.
- (o) **Waiver by the Bank.** No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or of any other right or remedy. Furthermore, the Bank may remedy any default by the Pledgor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Pledgor. No course of conduct of the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement or the Bank's rights hereunder. All rights and remedies of the Bank granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (p) **Waiver by the Pledgor.** The Pledgor waives protest of any instrument constituting Collateral at any time held by the Bank on which the Pledgor is in any way liable and notice of any other action taken by the Bank.
- (q) **Information.** The Bank may provide any financial and other information it has about the Pledgor, the security interest and the Collateral to anyone acquiring or who may acquire an interest in the security interest or the Collateral from the Bank or anyone acting on behalf of the Bank.

The Pledgor has executed this Agreement this 17<sup>th</sup> day of January, 2023.

COLLISION KINGS GROUP INC.

By:   
 Name: Shane Daerden  
 Title: President

By: \_\_\_\_\_  
 Name:  
 Title:

By: \_\_\_\_\_  
 Name:  
 Title:

Address of Head Office: 171 Waterloo Street  
Winnipeg, MB R3N 0S4

## SCHEDULE A

"Pledged Property" means the following property:

*Check all options that apply*

**Pledged Securities**

All of the securities, security entitlements, financial assets, shares, bonds, notes, units or other interests in which the Pledgor currently has, or hereafter acquires an interest, as described below:

Description of Security (type of security and name of Pledged Issuer)	No. of Shares/Units	Class of Share or Maturity of Bond	Certificate Numbers (only for certificated securities)
All of the issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.	10	Class A Common	CA-1

**Pledged Account(s)**

All present and after-acquired securities, security entitlements, financial assets, investment property, shares, bonds, notes, units or other interests and assets of whatever type or kind deposited in or credited to the account(s) described below.

Intermediary	Account Number




RESOLUTION AUTHORIZING EXECUTION OF  
INVESTMENT PROPERTY PLEDGE AGREEMENT

"RESOLVED THAT:

- (a) The President \_\_\_\_\_ ~~and the~~ \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank an Investment Property Pledge Agreement, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and their execution shall be conclusive evidence of such approval and that the Investment Property Pledge Agreement so executed is the Investment Property Pledge Agreement authorized by this Resolution.
- (b) Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the Investment Property Pledge Agreement."

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Sole Director of Collision Kings Group Inc. \_\_\_\_\_ and that the said Resolution is now in full force and effect.



Shane Daerden, President



**TD Canada Trust**  
**Postponement and Assignment of**  
**Creditors Claim and Postponement of Security**

THIS AGREEMENT made this 11<sup>th</sup> day of September, 2020.

BETWEEN:

COLLISION KINGS GROUP INC.

(hereinafter called the Creditor)

CMD HOLDINGS INC.

(hereinafter called the Company)

AND

**The Toronto-Dominion Bank**

(hereinafter called the Bank)

WHEREAS the Company is or may hereafter become indebted to the Bank.

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Company in carrying on its business and the Company is or may hereafter become indebted to the Creditor.

NOW THEREFORE in consideration of the Bank continuing to deal with the Company and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Creditor and the Company hereby agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings:

**"Bank Indebtedness"** means all obligations of the Company to the Bank, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Company or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Company under this Agreement for fees, costs and expenses.

**"Bank Security"** means all present and future security which the Bank has taken or may hereafter take in support of the Bank Indebtedness.

**"Creditor Indebtedness"** means all obligations of the Company to the Creditor, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Creditor and the Company or from other dealings or proceedings by which the Creditor may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or jointly with another or others and whether as a principal or surety, including all interest thereon.

**"Creditor Security"** means all present and future security which the Creditor has taken or may take in support of the Creditor Indebtedness.

2. **Postponement of Creditor Indebtedness.** The Creditor hereby postpones the repayment of the Creditor Indebtedness, in full, to the prior repayment of the Bank Indebtedness. The Company and the Creditor hereby agree with the Bank that:

- (a) the Company will not repay the Creditor Indebtedness;
- (b) the Creditor will not take any action to accelerate the maturity of the Creditor Indebtedness or exercise any remedies or take any action or proceeding to enforce the Creditor Indebtedness or the Creditor Security;
- (c) the Creditor will not file, or join with any other creditors of the Company in filing, any petition commencing any bankruptcy, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshalling of the assets and liabilities of the Company;

(d) the Creditor will not accept any payment, whether principal, interest or otherwise on account of the Creditor Indebtedness and no satisfaction, consideration or security will be given to or accepted by the Creditor for any Creditor Indebtedness;

in each case, unless the prior written consent of the Bank has been obtained (which consent may be granted or withheld by the Bank in its sole and absolute discretion) or until such time as the Bank Indebtedness has been indefeasibly paid in full. Any payment on, or other consideration for, the Creditor Indebtedness that is received by the Creditor in violation of this Agreement will be held by the Creditor in trust for the benefit of, and shall forthwith be paid over to, the Bank. In no event shall the payment or distribution received by the Creditor be commingled with the other assets of the Creditor.

**3. Postponement of Creditor Security.** The Creditor hereby postpones and subordinates the Creditor Security in all respects to and in favour of the Bank Security, and acknowledges that the Bank Security ranks and will continue to rank in priority to the Creditor Security in respect of all of the property and assets of the Company covered by the Bank Security. The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, perfection or re-perfection of any of the Bank Security or Creditor Security; or
- (b) the date of any advance or advances made to the Company by the Bank or the Creditor; or
- (c) the date of default by the Company under any of the Bank Security or the Creditor Security or the dates of crystallization of any floating charges held by the Bank or the Creditor; or
- (d) any priority granted by any principle of law or any statute, including the Bank Act (Canada), or any personal property security or like statute.

Any insurance proceeds received by the Company, the Bank or the Creditor in respect of the assets of the Company charged by the Bank Security or the Creditor Security, shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all insurance proceeds received by the Company shall be held in trust by it for the benefit of the Bank and the Creditor, as the case may be, in accordance with the provisions hereof.

**4. Assignment.** The Creditor hereby assigns and transfers to the Bank by way of security for the Bank Indebtedness all Creditor Indebtedness.

**5. Acknowledgement and Agreement of the Company and the Creditor.** The Company hereby confirms to and agrees with the Bank and the Creditor that so long as the Company remains indebted to the Bank and the Creditor, it will stand possessed of its assets so charged for the Bank and the Creditor in accordance with their respective interests and priorities as herein set forth. The Creditor and the Company hereby confirm and agree that the terms of this Agreement will prevail over the terms of any other agreement between the Creditor and the Company regarding the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full.

**6. Restriction on Transfer and Amendments.** The Creditor will not, without the prior written consent of the Bank, sell, assign or otherwise transfer or dispose of, in whole or in part, voluntarily, involuntarily or by operation of law, all or any part of the Creditor Indebtedness or any interest therein to any other person or create, incur or suffer to exist any security interest, lien, charge or other encumbrance whatsoever upon all or any part of the Creditor Indebtedness in favour of any other person. In addition to the foregoing, the Creditor will not, without the prior written consent of the Bank, amend, modify, extend, accelerate, waive or otherwise change the terms of the Creditor Indebtedness or any part thereof or any Creditor Security held therefor.

**7. Acknowledgement of No Set-Off.** The Company and the Creditor acknowledge that the Creditor Indebtedness is not the subject of nor will it hereafter without the consent of the Bank be made the subject of any set-off or counter-claim by the Company.

**8. Bank Not Bound to Collect Creditor Indebtedness.** The Creditor shall duly and promptly take such action as the Bank may reasonably request in its sole discretion to collect amounts in respect of the Creditor Indebtedness and to file appropriate claims, proofs of claim or other instruments of similar character in respect of the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full. The Bank shall be authorized (in its own name or in the name of the Creditor), but shall have no obligation to, demand payment of the Creditor Indebtedness or any part thereof or take any proceeding to collect any Creditor Indebtedness or to enforce any Creditor Security in respect thereof.

**9. Bankruptcy of Company.** In the event of the bankruptcy or winding up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever, the Bank may prove in respect of the Creditor Indebtedness as a debt owing to it by the Company and the Bank shall be entitled to collect and receive any and all payments or distributions payable in respect thereof, such payments or distributions to be applied on such part or parts of the Bank Indebtedness as the Bank shall see fit until the whole of the Bank Indebtedness has been indefeasibly paid in full and thereafter the Creditor shall be entitled to such payments or distributions.


**10. Further Assurances.** The Company and the Creditor will, from time to time forthwith and at all times after the date of this Agreement, without further consideration, do such further acts and deliver such further instruments and documents, and take such further action, as the Bank may reasonably request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted, or intended to be granted, by, this Agreement.

11. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

12. **Acknowledgement.** The Creditor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

13. **Language Preference.** This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise à la demande de toutes les parties.)

**SIGNED, SEALED AND DELIVERED**

  
\_\_\_\_\_  
Witness:

  
\_\_\_\_\_  
Creditor Name:  
COLLISION KINGS GROUP INC.

  
\_\_\_\_\_  
Company Name:  
CMD HOLDINGS INC.

\_\_\_\_\_  
Company Name:

\_\_\_\_\_  
The Toronto-Dominion Bank



**TD Canada Trust**  
**Postponement and Assignment of**  
**Creditors Claim and Postponement of Security**

THIS AGREEMENT made this 1st day of August, 2019.

BETWEEN:

COLLISION KINGS GROUP INC.

(hereinafter called the Creditor)

COLLISION KINGS 3 LTD.

(hereinafter called the Company)

AND

**The Toronto-Dominion Bank**

(hereinafter called the Bank)

WHEREAS the Company is or may hereafter become indebted to the Bank.

AND WHEREAS the Creditor is now and intends to continue to be a supporter of the Company in carrying on its business and the Company is or may hereafter become indebted to the Creditor.

NOW THEREFORE in consideration of the Bank continuing to deal with the Company and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Creditor and the Company hereby agree as follows:

1. **Definitions.** In this Agreement, the following terms have the following meanings:

**"Bank Indebtedness"** means all obligations of the Company to the Bank, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Bank and the Company or from other dealings or proceedings by which the Bank may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or with another or others and whether as a principal or surety, including all interest thereon and all amounts owed by the Company under this Agreement for fees, costs and expenses.

**"Bank Security"** means all present and future security which the Bank has taken or may hereafter take in support of the Bank Indebtedness.

**"Creditor Indebtedness"** means all obligations of the Company to the Creditor, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, wheresoever and howsoever incurred, whether incurred before, at the time of, or after the execution of this Agreement, whether the indebtedness and liability is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Creditor and the Company or from other dealings or proceedings by which the Creditor may be or become in any manner whatsoever a creditor of the Company, and in any currency, whether incurred by the Company alone or jointly with another or others and whether as a principal or surety, including all interest thereon.

**"Creditor Security"** means all present and future security which the Creditor has taken or may take in support of the Creditor Indebtedness.

2. **Postponement of Creditor Indebtedness.** The Creditor hereby postpones the repayment of the Creditor Indebtedness, in full, to the prior repayment of the Bank Indebtedness. The Company and the Creditor hereby agree with the Bank that:

- (a) the Company will not repay the Creditor Indebtedness;
- (b) the Creditor will not take any action to accelerate the maturity of the Creditor Indebtedness or exercise any remedies or take any action or proceeding to enforce the Creditor Indebtedness or the Creditor Security;
- (c) the Creditor will not file, or join with any other creditors of the Company in filing, any petition commencing any bankruptcy, insolvency, reorganization, arrangement or receivership proceeding or any assignment for the benefit of creditors against or in respect of the Company or any other marshalling of the assets and liabilities of the Company;

(d) the Creditor will not accept any payment, whether principal, interest or otherwise on account of the Creditor Indebtedness and no satisfaction, consideration or security will be given to or accepted by the Creditor for any Creditor Indebtedness;

in each case, unless the prior written consent of the Bank has been obtained (which consent may be granted or withheld by the Bank in its sole and absolute discretion) or until such time as the Bank Indebtedness has been indefeasibly paid in full. Any payment on, or other consideration for, the Creditor Indebtedness that is received by the Creditor in violation of this Agreement will be held by the Creditor in trust for the benefit of, and shall forthwith be paid over to, the Bank. In no event shall the payment or distribution received by the Creditor be commingled with the other assets of the Creditor.

**3. Postponement of Creditor Security.** The Creditor hereby postpones and subordinates the Creditor Security in all respects to and in favour of the Bank Security, and acknowledges that the Bank Security ranks and will continue to rank in priority to the Creditor Security in respect of all of the property and assets of the Company covered by the Bank Security. The subordinations and postponements contained herein shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, perfection or re-perfection of any of the Bank Security or Creditor Security; or
- (b) the date of any advance or advances made to the Company by the Bank or the Creditor; or
- (c) the date of default by the Company under any of the Bank Security or the Creditor Security or the dates of crystallization of any floating charges held by the Bank or the Creditor; or
- (d) any priority granted by any principle of law or any statute, including the Bank Act (Canada), or any personal property security or like statute.

Any insurance proceeds received by the Company, the Bank or the Creditor in respect of the assets of the Company charged by the Bank Security or the Creditor Security, shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all insurance proceeds received by the Company shall be held in trust by it for the benefit of the Bank and the Creditor, as the case may be, in accordance with the provisions hereof.

**4. Assignment.** The Creditor hereby assigns and transfers to the Bank by way of security for the Bank Indebtedness all Creditor Indebtedness.

**5. Acknowledgement and Agreement of the Company and the Creditor.** The Company hereby confirms to and agrees with the Bank and the Creditor that so long as the Company remains indebted to the Bank and the Creditor, it will stand possessed of its assets so charged for the Bank and the Creditor in accordance with their respective interests and priorities as herein set forth. The Creditor and the Company hereby confirm and agree that the terms of this Agreement will prevail over the terms of any other agreement between the Creditor and the Company regarding the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full.

**6. Restriction on Transfer and Amendments.** The Creditor will not, without the prior written consent of the Bank, sell, assign or otherwise transfer or dispose of, in whole or in part, voluntarily, involuntarily or by operation of law, all or any part of the Creditor Indebtedness or any interest therein to any other person or create, incur or suffer to exist any security interest, lien, charge or other encumbrance whatsoever upon all or any part of the Creditor Indebtedness in favour of any other person. In addition to the foregoing, the Creditor will not, without the prior written consent of the Bank, amend, modify, extend, accelerate, waive or otherwise change the terms of the Creditor Indebtedness or any part thereof or any Creditor Security held therefor.

**7. Acknowledgement of No Set-Off.** The Company and the Creditor acknowledge that the Creditor Indebtedness is not the subject of nor will it hereafter without the consent of the Bank be made the subject of any set-off or counter-claim by the Company.

**8. Bank Not Bound to Collect Creditor Indebtedness.** The Creditor shall duly and promptly take such action as the Bank may reasonably request in its sole discretion to collect amounts in respect of the Creditor Indebtedness and to file appropriate claims, proofs of claim or other instruments of similar character in respect of the Creditor Indebtedness until such time as the Bank Indebtedness has been indefeasibly paid in full. The Bank shall be authorized (in its own name or in the name of the Creditor), but shall have no obligation to, demand payment of the Creditor Indebtedness or any part thereof or take any proceeding to collect any Creditor Indebtedness or to enforce any Creditor Security in respect thereof.

**9. Bankruptcy of Company.** In the event of the bankruptcy or winding up of the Company or any distribution of the assets or any of the assets of the Company or proceeds thereof among its creditors in any manner whatsoever, the Bank may prove in respect of the Creditor Indebtedness as a debt owing to it by the Company and the Bank shall be entitled to collect and receive any and all payments or distributions payable in respect thereof, such payments or distributions to be applied on such part or parts of the Bank Indebtedness as the Bank shall see fit until the whole of the Bank Indebtedness has been indefeasibly paid in full and thereafter the Creditor shall be entitled to such payments or distributions.

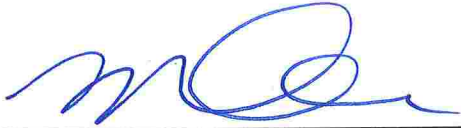
**10. Further Assurances.** The Company and the Creditor will, from time to time forthwith and at all times after the date of this Agreement, without further consideration, do such further acts and deliver such further instruments and documents, and take such further action, as the Bank may reasonably request for the purpose of obtaining or preserving the benefits of, and the rights and powers granted, or intended to be granted, by, this Agreement.

11. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the executors, administrators, successors and assigns of the respective parties hereto.

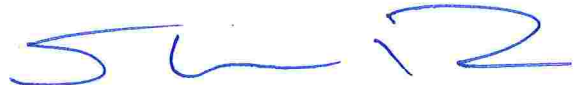
12. **Acknowledgement.** The Creditor acknowledges receipt of a fully executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

13. **Language Preference.** This Agreement has been drawn up in the English language at the request of all parties. (Cet acte a été rédigé en langue anglaise á la demande de toutes les parties.)

**SIGNED, SEALED AND DELIVERED**



Witness:



Creditor Name:

COLLISION KINGS GROUP INC.



Company Name:

COLLISION KINGS 3 LTD.

Company Name:

The Toronto-Dominion Bank

**THIS IS EXHIBIT "38" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



## ROYAL BANK OF CANADA CREDIT AGREEMENT

DATE: November 27, 2018

**BORROWER:**  
10026923 MANITOBA LTD.**SRF:**  
585848179**ADDRESS** (Street, City/Town, Province, Postal Code)371 Niagara Street  
Winnipeg, MB  
R3N 0V3

Royal Bank of Canada (the “Bank”) hereby confirms to the undersigned (the “Borrower”) the following credit facilities (the “Credit Facilities”), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the “Agreement”). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

**CREDIT FACILITIES****Facility #1** Term loan facility (non-revolving) in the amount of \$245,000.00 available by way of:

- a) **Variable rate term loan.** Repayable by consecutive monthly principal payments of \$2,041.67 plus interest based on a 120 month amortization. First payment is due 30 days from drawdown. This loan has a 12 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: RBP+ 2.15% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.
- b) **Variable rate term loan.** Repayable by consecutive monthly blended payments of \$2,838.13, including interest, based on a 120 month amortization (payment amount subject to annual adjustments to ensure amortization). First blended payment is due 30 days from drawdown. This loan has a 12 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: RBP+ 2.15% per annum.
- c) **Fixed rate term loan.** Repayable by consecutive monthly principal payments of \$2,041.67 plus interest based on a 12 month amortization. First payment is due 30 days from drawdown. This loan has a 12, 36 or 60 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: to be determined at time of Borrowing based on the term selected by the Borrower. Interest payable monthly, in arrears, on the same day each period as determined by the Bank. Amount eligible for prepayment is NIL.
- d) **Fixed rate term loan.** Repayable by consecutive monthly blended payments of \$2,838.13, including interest, based on a 120 month amortization. First blended payment is due 30 days from drawdown. This loan has a 12, 36 or 60 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: to be determined at time of Borrowing based on the term selected by the Borrower. Amount eligible for prepayment is NIL.

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule “A” attached hereto, provided by the Borrower and accepted by the Bank.

**Facility #2** Term loan facility (non-revolving) in the amount of \$122,500.00 available by way of:

- e) **Variable rate term loan.** Repayable by consecutive monthly principal payments of \$2,450.00 plus interest based on a 60 month amortization. First payment is due 30 days from drawdown. This loan has a 12 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: RBP+ 2.15% per annum. Interest payable monthly, in arrears, on the same day each period as determined by the Bank.
- f) **Variable rate term loan.** Repayable by consecutive monthly blended payments of \$2,828.66, including interest, based on a 60 month amortization (payment amount subject to annual adjustments to ensure amortization). First blended payment is due 30 days from drawdown. This loan has a 12 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: RBP+ 2.15% per annum.

\* Registered trademark of Royal Bank of Canada.

- g) **Fixed rate term loan.** Repayable by consecutive monthly principal payments of \$2,450.00 plus interest based on a 60 month amortization. First payment is due 30 days from drawdown. This loan has a 12 or 36 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: to be determined at time of Borrowing based on the term selected by the Borrower. Interest payable monthly, in arrears, on the same day each period as determined by the Bank. Amount eligible for prepayment is NIL.
- h) **Fixed rate term loan.** Repayable by consecutive monthly blended payments of \$2,828.66, including interest, based on a 60 month amortization. First blended payment is due 30 days from drawdown. This loan has a 12 or 36 month term and all outstanding principal and interest is payable in full at the end of the term. Interest rate: to be determined at time of Borrowing based on the term selected by the Borrower. Amount eligible for prepayment is NIL.

The specific repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "A" attached hereto, provided by the Borrower and accepted by the Bank.

## SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank (collectively, the "**Security**"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Collateral mortgage in the amount of \$490,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 149 Pth 16 W., Neepawa, MB;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by [REDACTED];
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by 10026922 Manitoba Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of 10026922 Manitoba Ltd.;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by [REDACTED];
- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by Shane Eric Carl Daerden;
- g) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by [REDACTED];
- h) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by Nick's Repair Service Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Nick's Repair Service Ltd.;
- i) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$367,500.00 signed by Collision Kings Group Inc., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Collision Kings Group Inc.;
- j) Postponement and assignment of claim on the Bank's form 918 signed by Gail White, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments to Gail White as outlined in the letter, provided the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment;
- k) Postponement and assignment of claim on the Bank's form 918 signed by Garth White, together with a letter signed by the Bank whereby the Bank agrees that notwithstanding the terms and conditions of the postponement and assignment of claim, the Borrower may make payments to Garth White as outlined in the letter, provided the Borrower is in compliance with all terms and conditions of this Agreement and with all terms and conditions of the Security both before and after the making of any such payment.

\* Registered trademark of Royal Bank of Canada.

## **FEES**

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

## **FINANCIAL COVENANTS**

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

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

- a) maintain on a consolidated basis for the Borrower, to be measured at the end of each fiscal year:
  - i) Debt Service Coverage of not less than 1.25:1.

## **REPORTING REQUIREMENTS**

The Borrower will provide to the Bank:

- a) Annual notice to reader financial statements for each of the Borrower and 10026922 Manitoba Ltd., within 90 days of each fiscal year end;
- b) Annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2019;
- c) Such other financial and operating statements and reports as and when the Bank may reasonably require.

## **OTHER INFORMATION/REQUIREMENTS**

- a) In no event will the Credit Facilities or any part thereof be available unless the Bank has received:
  - i) a Phase I Environmental Site Assessment in respect of the property described as Parcel A and B of Plan 5203 in the Town of Neepawa and rural municipality of North Cypress-Langford, conducted by a consultant acceptable to the Bank and containing findings acceptable to the Bank;
  - ii) a copy of the executed purchase and sale agreement between Collision Kings Group Inc. and Gail White and Garth White, in respect of the purchase of 149 Pth 16 W, Neepawa, MB, containing terms and conditions satisfactory to the Bank;
  - iii) an appraisal in respect of the property located at 149 Pth 16 W, Neepawa, MB, confirming a minimum market value, minimum income approach value or minimum cost approach value of \$490,000.00 completed by an appraiser acceptable to the Bank and containing findings acceptable to the Bank.
- b) In no event will the Credit Facilities or any part thereof be available unless a satisfactory visit and inspection of the Borrower's premises, properties and assets, including any equipment financed, has been completed by the Bank, or its representatives.

## **BUSINESS LOAN INSURANCE PLAN**

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same

\* Registered trademark of Royal Bank of Canada.

loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

**STANDARD TERMS**

The following standard terms have been provided to the Borrower:

- Form 472 (01/2018) Royal Bank of Canada Credit Agreement - Standard Terms
- Form 473 (10/2017) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms
- Form 473A (10/2017) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (10/2017) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

**ACCEPTANCE**

This Agreement is open for acceptance until December 27, 2018, after which date it will be null and void, unless extended in writing by the Bank.

**ROYAL BANK OF CANADA**



Per: \_\_\_\_\_  
Title: Vice President

**RBC Contact: Greg Bryant**

/nl

**CONFIRMATION & ACCEPTANCE**

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

\* Registered trademark of Royal Bank of Canada.

Confirmed, accepted and agreed this 30<sup>th</sup> day of November, 20 18.

10026923 MANITOBA LTD.

Per: 

Name: Shane Dardni

Title: president

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

Name:

Title:

I/We have the authority to bind the Borrower

Attachments:

- Schedule - Borrowing Request

\* Registered trademark of Royal Bank of Canada.


**ROYAL BANK OF CANADA CREDIT AGREEMENT – SCHEDULE “A”  
BORROWING REQUEST STANDARD FORM**

In support of the Royal Bank of Canada Credit Agreement dated November 27, 2018 the Borrower hereby requests the following be established under Facility # 1:

Date of Borrowing	<i>November 30, 2018</i>		
Amount of Borrowing:	\$ <i>245,000</i>		
Amortization (in months):	<i>120</i>		
Selected Term: (Borrowing repayable in full on the last day of the Term)	<i>fixed 3 year</i>		
Payment Amount:	\$ <i>2,500.66</i>		
Payment Frequency:	weekly <input type="checkbox"/>	bi-weekly <input type="checkbox"/>	
	semi-monthly <input type="checkbox"/>	monthly <input checked="" type="checkbox"/>	
	quarterly <input type="checkbox"/>	semi-annual <input type="checkbox"/>	annual <input type="checkbox"/>
Selected Interest Rate (per annum):	<i>4.17 %</i> <input checked="" type="checkbox"/>	RBP +	% <input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input checked="" type="checkbox"/>  If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization	Principal plus Interest <input type="checkbox"/>	
First Payment Due Date:	<i>30 days after draw</i>		
Amount Eligible for Prepayment of FRT Loan:	0% <input checked="" type="checkbox"/>	10% <input type="checkbox"/>	

Dated this 30<sup>th</sup> day of November, 20 18.

10026923 MANITOBA LTD.

Per:   
Name: Shane Darden  
Title: President

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have the authority to bind the Borrower

SRF# 585848179

**ROYAL BANK OF CANADA CREDIT AGREEMENT – SCHEDULE “A”  
BORROWING REQUEST STANDARD FORM**

In support of the Royal Bank of Canada Credit Agreement dated November 27, 2018 the Borrower hereby requests the following be established under Facility # 2:

Date of Borrowing	November 30, 2018		
Amount of Borrowing:	\$ 122,500		
Amortization (in months):	60		
Selected Term: (Borrowing repayable in full on the last day of the Term)	Fixed 3 year		
Payment Amount:	\$ 2,263.05		
Payment Frequency:	weekly <input type="checkbox"/>	bi-weekly <input type="checkbox"/>	
	semi-monthly <input type="checkbox"/>	monthly <input checked="" type="checkbox"/>	
	quarterly <input type="checkbox"/>	semi-annual <input type="checkbox"/>	annual <input type="checkbox"/>
Selected Interest Rate (per annum):	4.13 % <input type="checkbox"/>	RBP +	% <input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input checked="" type="checkbox"/>  If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization	Principal plus Interest <input type="checkbox"/>	
First Payment Due Date:	30 days after draw		
Amount Eligible for Prepayment of FRT Loan:	0% <input checked="" type="checkbox"/>	10% <input type="checkbox"/>	

Dated this 30<sup>th</sup> day of November, 20 18.

**10026923 MANITOBA LTD.**

Per:   
Name: Shane Darden  
Title: President

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have the authority to bind the Borrower

SRF# 585848179

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

#### GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

#### CONDITIONS PRECEDENT

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

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

#### AVAILABILITY

**Revolving facilities:** The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

**Non-revolving facilities:** The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

#### LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "**General Account**") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

#### REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.
- j) In the case of any reducing term loan and/or reducing term facility ("**Reducing Term Loan/Facility**"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("**Renewal Letter**") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term



Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

#### PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

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

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

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

plus:
- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The prepayment of any Borrowings under a term facility will be made in the reverse order of maturity.

#### EVIDENCE OF INDEBTEDNESS

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

#### CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.
- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

#### FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation,

termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

#### GENERAL COVENANTS

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

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or any Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

#### GENERAL INDEMNITY

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

#### AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof.

#### SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

#### GAAP

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

#### SEVERABILITY

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

#### DEFAULT BY LAPSE OF TIME

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

**SET-OFF**

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

**CONSENT OF DISCLOSURE**

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

**JOINT AND SEVERAL / SOLIDARY**

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

**EVENTS OF DEFAULT**

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

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

**LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE**

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

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

**FEF CONTRACTS**

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;
- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract, including those disclosed by the Bank in the Risk Disclosure Statement below.

**FOREIGN EXCHANGE FORWARDS  
RISK DISCLOSURE STATEMENT**

The Borrower should only enter into over-the-counter foreign exchange forward contracts or variations thereof ("FX Forwards") if it has sufficient knowledge and experience to evaluate them and if it understands, acknowledges and is capable of assuming all of the risks associated with them, including those described below.

**Market or Price Risk.** FX Forwards involve market or price risk. At any given time after execution but prior to maturity, an FX Forward will have a market value which may be greater or less than the market value the FX Forward had at the time of execution. Accordingly, if the Borrower wishes to reverse or close-out an FX Forward prior to maturity, there may be a resulting gain or loss to the Borrower. Such gain or loss could be substantial depending on the terms of the FX Forward and market conditions, which can change continuously and rapidly.

**Absence of Advisory Relationship.** While Royal Bank of Canada ("RBC") may comment on a variety of topics in conversation with the Borrower, the Borrower should not assume that RBC is acting in an advisory capacity unless RBC expressly indicates otherwise. All information provided by RBC should be evaluated by the Borrower independently of RBC. This includes not only information about market conditions and trends but also any information about the legal, regulatory, tax, accounting and credit issues generated by FX Forwards.

**This Risk Disclosure Statement does not purport to disclose all of the risks and material considerations associated with FX Forwards, and neither this Risk Disclosure Statement, nor any other document provided by RBC, should be construed as legal, tax, investment or business advice or counsel.**

**EXCHANGE RATE FLUCTUATIONS**

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

**LANGUAGE**

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

**WHOLE AGREEMENT**

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

**GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

**NOTICES**

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

**COUNTERPART EXECUTION**

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

**ELECTRONIC MAIL AND FAX TRANSMISSION**

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

**ELECTRONIC IMAGING**

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

**DEFINITIONS**

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

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

**"Borrowing"** means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

“**Business Day**” means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

“**Business Loan Insurance Plan**” means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

“**Capital Expenditures**” means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

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

“**Corporate Distributions**” means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

“**Current Assets**” means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

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

“**Current Ratio**” means the ratio of Current Assets to Current Liabilities;

“**Debt Service Coverage**” means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

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

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

“**Environmental and Health and Safety Laws**” means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

“**Equivalent Amount**” means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

“**Equity**” means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

“**Financial Assistance**” means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

“**Fixed Charge Coverage**” means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes and Unfunded Capital Expenditures to Fixed Charges;

“**Fixed Charges**” means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt, payments under operating leases and Corporate Distributions;

“**Foreign Exchange Forward Contract**” or “**FEF Contract**” means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

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

“**Guarantor**” means any Person who has guaranteed the obligations of the Borrower under this Agreement;

“**Lease**” means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

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

“**Investment**” means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

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

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

“**Margin**” or “**Margined**” means that the availability of Borrowings under the credit facilities will be based on the Borrower’s level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

“**Overdraft**” means advances of credit by way of debit balances in the Borrower’s current account;

“**Permitted Encumbrances**” means, in respect of the Borrower:

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

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

“**Policy**” means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

“**Postponed Debt**” means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

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

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

“**RBUSBR**” and “**Royal Bank US Base Rate**” each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

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

“**Tangible Net Worth**” means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

“**Total Liabilities**” means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

“**Unfunded Capital Expenditures**” means Capital Expenditures not funded by either bank debt or equity proceeds.

“**US**” means United States of America.

If the Borrower elects to fulfill the reporting requirements relating to the submission of financial information set out in this Agreement by accessing a secure web based portal ("**RBC Covarity Dashboard**") via the Internet and using RBC Covarity Dashboard to electronically upload the Borrower's financial information and to complete online and electronically submit certificates, reports and/or forms (the "**Service**"), then the following terms and conditions (the "RBC Covarity Dashboard Terms and Conditions") apply and are deemed to be included in, and form part of, the Agreement:

**1. Definitions.** For the purpose of the RBC Covarity Dashboard Terms and Conditions:

"**Disabling Code**" means any clock, timer, counter, computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb, or any other unauthorized codes, designs, routines or instructions that may be used to access, modify, replicate, distort, delete, damage or disable any Electronic Channel, including any related hardware or software.

"**Designated User**" an individual permitted to act on behalf of and bind the Borrower in all respects, and specifically in the submission of Electronically Uploaded Financial Information and/or Electronically Submitted Certificates.

"**Electronic Channel**" means any telecommunication or electronic transmission method which may be used in connection with the Service, including computer, Internet, telephone, e-mail or facsimile.

"**Electronic Communication**" means any information, disclosure, request or other communication or agreement sent, received or accepted using an Electronic Channel.

"**Electronically Submitted Certificates**" means certificates, reports and/or forms completed online and electronically submitted by any Designated User accessing the Service.

"**Electronically Uploaded Financial Information**" means financial data, reports and/or information of the Borrower electronically uploaded by any Designated User accessing the Service.

"**Internet**" means a decentralized global communications medium and the world-wide network of computer networks, accessible to the public, that are connected to each other using specific protocols, which provides for file transfer, electronic mail, remote log in, news, database access, and other services.

"**Password**" means a combination of numbers and/or letters selected by a Designated User that is used to identify the Designated User. The Password is used in conjunction with a User ID to access the Service.

"**Security Breach**" means any breach in the security of the Service, or any actual or threatened use of the Service, a Security Device, or Electronic Channel in a manner contrary to the Agreement, including, without limitation, the introduction of Disabling Code or a Virus to the Service.

"**Security Device**" means a combination of a User ID and Password.

"**Software**" means any computer program or programming (in any code format, including source code), as modified from time to time, and related documentation.

"**User ID**" means the combination of numbers and/or letters selected by the Borrower used to identify a particular Designated User. The User ID is used in conjunction with a Password to access the Service.

"**Virus**" means an element which is designed to corrupt data or enable access to or adversely impact upon the performance of computer systems, including any virus, worm, logic bomb and Trojan horse. Terms defined in the Agreement have the same meanings where used in the RBC Covarity Dashboard Terms and Conditions.

**2. Access to the Service.** The Borrower will appoint one or more Designated User(s) to access the Service on behalf of the Borrower. The Borrower acknowledges and agrees that each Designated User appointed by the Borrower may electronically upload the Borrower's financial information and may view all previously uploaded financial information and all calculations in the RBC Covarity Dashboard.

At the time of registration for the Service, the Borrower will advise the Bank of the name and e-mail address of each Designated User. The Borrower will immediately advise the Bank if a Designated User changes or is no longer valid.

The Bank will provide the Borrower with a User ID and temporary password for each Designated User. Each Designated User will receive the User ID and temporary password delivered to their e-mail address. Each Designated User will change the temporary

password to a unique Password which may not be easily guessed or obtained by others. If it is suspected or known that the Password has been compromised in any way, the Password must be changed immediately.

On first access to the Service, each Designated User will be required to read and agree to terms of use which will thereafter be accessible from a link located on each web page of the Service.

**3. Security Devices.** The Borrower recognizes that possession of a Security Device by any person may result in that person having access to the Service. The Borrower agrees that the use of a Security Device in connection with the Service, including any information sent, received or accepted using the Service, will be deemed to be conclusive proof that such information is accurate and complete, and the submission of which is authorized by, and enforceable against, the Borrower.

The Borrower is responsible for maintaining the security and confidentiality of Security Devices which may be used in connection with the Service. The Borrower is responsible for ensuring that a Security Device will only be provided to and used by a Designated User. The Borrower agrees to be bound by any actions or omissions resulting from the use of any Security Device in connection with the Service.

**4. Security.** Each party shall at all times have in place appropriate policies and procedures to protect the security and confidentiality of the Service, Electronic Channels and Electronic Communication and to prevent any unauthorized access to and use of the Service and Electronic Channels. The Borrower agrees to comply with any additional procedures, standards or other security requirements that the Bank may require in order to access the Service.

The Borrower will not (i) access or use the Service for an illegal, fraudulent, malicious or defamatory purpose, or (ii) take steps or actions that could or do undermine the security, integrity, effectiveness, goodwill or connectivity of the Service (including illegal, fraudulent, malicious, defamatory or other activities that threaten to harm or cause harm to any other person).

The Borrower agrees not to transmit via the Service any viruses, worms, defects, Trojan horses or any items of a destructive nature. The Borrower shall maintain the security of their computer by using anti-virus scanning, a firewall and installing the latest security patches to provide assurance that no Virus is introduced into the systems or Software while accessing the Service.

**5. Unsecure Electronic Channels.** The Borrower acknowledges and agrees that if it uses, or if it authorizes and directs the Bank to use, any unencrypted Electronic Channel, including unencrypted e-mail or facsimile, any Electronic Communication sent, received and/or accepted using such Electronic Channel is not secure, reliable, private or confidential. Any such Electronic Communication could be subject to interception, loss or alteration, and may not be received by the intended recipient in a timely manner or at all. The Borrower assumes full responsibility for the risks associated with such Electronic Communication.

**6. Notice of Security Breach.** The Borrower shall notify the Bank by notifying the RBC Account Manager in writing immediately of any Security Breach including: (i) any application vulnerability or if a Virus is contained in or affects transmission of information to the Service; or (ii) if the Borrower knows or reasonably ought to know that an unauthorized person may have access to the Service, Security Device or Electronic Channel.

If a Security Breach occurs the Borrower shall: (i) assist the Bank in the management of any consequences arising from it; (ii) take any reasonable steps necessary for it to take to mitigate any harm resulting from it; and (iii) take appropriate steps to prevent its recurrence.

**7. Binding Effect.** Any Electronic Communication that the Bank receives from or in the name of, or purporting to be from or in the name of, the Borrower or any other person on the Borrower's behalf in connection with the Service, will be considered to be duly authorized by, and enforceable against, the Borrower. The Bank will be authorized to rely and act on any such Electronic Communication, even if the Electronic Communication was not actually from the Borrower or such other person or differs in any way from any previous Electronic Communication sent to the Bank. Any Electronically Uploaded Financial Information will be considered to be financial information submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Uploaded Financial Information accordingly. Any Electronically Submitted Certificates will be considered to be certificates, reports and/or forms completed and submitted to the Bank by an individual permitted to act on behalf of and bind the Borrower in all respects, and the Bank will be authorized to rely and act on any such Electronically Submitted Certificates accordingly.

**8. Representations and Warranties.** The Borrower represents and warrants to the Bank that each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted: (i) all financial statements, certificates, forms, reports and all information contained therein will be accurate and complete in all respects; (ii) all amounts certified as Potential Prior-Ranking Claims will be current amounts owing and not in arrears; (iii) all representations and warranties contained in the Agreement will be true and correct; and (iv) no event will have occurred which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or breach of any covenant or other term or condition of the Agreement. The Borrower will be deemed to repeat these representations and warranties each time Electronically Uploaded Financial Information and/or Electronically Submitted Certificates are submitted.



**9. Evidence.** Electronic records and other information obtained by the Bank in an Electronic Communication will be admissible in any legal, administrative or other proceedings as conclusive evidence of the contents of those communications in the same manner as an original paper document, and the Borrower waives any right to object to the introduction of any such record or other information into evidence on that basis.

**10. Limitation of Liability.** The Bank is not responsible or liable for any damages arising from: (i) inaccurate, incomplete, false, misleading, or fraudulent information provided to the Bank; (ii) losses incurred as a result of an actual or potential Security Breach; or (iii) losses incurred as a result of application vulnerability or Virus that is contained in or affects any Software or systems used by or on behalf of the Borrower in connection with the Service.

Although every effort is made to provide secure transmission of information, timely communication and confidentiality cannot be guaranteed. In no event shall the Bank be liable for any loss or harm resulting from the use of the Service, or from a breach of confidentiality in respect of use of the Service.

**11. Termination.** The ability of the Borrower to fulfill the reporting requirements relating to the submission of financial information set out in the Agreement using RBC Covarity Dashboard shall terminate upon revocation of access to the Service. In addition, the Bank may suspend or terminate access to or discontinue the Service immediately for any reason at any time without prior notice. The Bank will not be responsible for any loss or inconvenience that may result from such suspension or termination. The Borrower, upon giving notice to the Bank by notifying the RBC Account Manager in writing, may terminate use of the Service at any time.

**12. Amendment.** The Bank may amend these RBC Covarity Dashboard Terms and Conditions upon 30 days notice (which may be given electronically by way of e-mail or in writing) to the Borrower. The Borrower agrees that the continued use of the Service after the effective date of a change will constitute conclusive evidence of consent to all such amendments and the Borrower shall be bound by the amendments.

**THIS IS EXHIBIT "39" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**



1. MORTGAGE TYPE

- Mortgage
- Mortgage of Mortgage
- Encumbrance
- Mortgage of Encumbrance

2. MORTGAGOR

- Individual
- Corporation

Corporation Name

10026923 MANITOBA LTD.

Signed pursuant to a  power of attorney  court order

- Executor, Administrator, Trustee
- Government and Government Agency

3. LAND DESCRIPTION AND PRIOR INSTRUMENTS

Land 1

- All or part of a title
    - Current title number
    - Issuing from title number
- 1884679/5  All  Part

Land Description

PARCEL 1: PARCEL B PLAN 5203 NLTO IN SW 1/4 32-14-15 WPM EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO  
 PARCEL 2: AT NEPEAWA AND BEING: PARCEL B PLAN 5203 NLTO IN SE 1/4 32-14-15 WPM SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title

Instrument Number

1028093/5

1029384/5

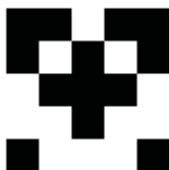
1029740/5

- Registered prior in series

Land 2

For your protection, ensure the following before signing:

1. The exact image and the barcode below, are present on all pages.



2. The 32 character control number below is present and identical on all pages.

**51BA-33B1-F584-4E77-A031-5CB0-6AD4-DCB7**

3. All 5 Mortgage content pages are present.

- All or part of a title
    - Current title number     Issuing from title number
- All     Part

Land Description

LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title
  - Instrument Number
  -
- Registered prior in series

Land 3

- All or part of a title
    - Current title number     Issuing from title number
- All     Part

Land Description


PARCEL A PLAN 5203 NLTO EXC FIRSTLY: THE SLY 300 FEET AND SECONDLY: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS (OTHER THAN COAL) IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

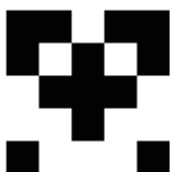
- Currently on title
- Registered prior in series

4. MORTGAGEE

- Individual     Full legal name required
- Corporation

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3. All 5 Mortgage content pages are present.





Corporation Name

ROYAL BANK OF CANADA

In trust for self-directed registered account, detailed as follows

Address for Service

TOR-BUSINESS SERVICE CENTRE

36 YORK MILLS RD 4TH FLR

City

TORONTO

Province

ONTARIO

Country

CANADA

Postal Code

M2P 0A4

Share or fractional interest of the mortgage monies contributed  %

Executor, Administrator

Government and Government Agency

**5. TERMS AND PAYMENT PROVISIONS**

Mortgage Description

COLLATERAL MORTGAGE

Mortgage Principal Amount

490,000.00

Canadian Dollar (CAD)

Standard Charge Mortgage Terms

Deposited at land titles as number

4920742/1

and name RB/BT

Not applicable

Loan Description

Loan Principal Amount

Canadian Dollar (CAD)

Mortgage secures a revolving credit up to the loan principal amount

Payment Details

Prime is defined as

ROYAL BANK OF CANADA PRIME RATE

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3. All 5 Mortgage content pages are present.



- Scheduled Payments
- Payable on Demand

**Additional Provisions**

- This mortgage secures the refundable portions of tenants' entrance fees as required by clause 28(2)(b) of *The Life Leases Act*.
- Covenantor will sign
- Guarantee Mortgage
- Collateral Mortgage

Details

THIS IS AN ALL OBLIGATIONS MORTGAGE

- Secures present and future liabilities
- Secures current or running account
- Prepayment terms
- Other

**6. THE FARM LANDS OWNERSHIP ACT EVIDENCE**

The registration of this instrument does not contravene the provisions of *The Farm Lands Ownership Act* because

- The within land is not farm land as defined in *The Farm Lands Ownership Act*.
- All of the within lands are farm land and are being mortgaged pursuant to a *bona fide* debt obligation.
- Some of the within lands are farm land and the farm lands are being mortgaged pursuant to a *bona fide* debt obligation.
- Other

**7. INSTRUMENT PREPARED BY**

Given Name  Middle Names  Surname  Suffix

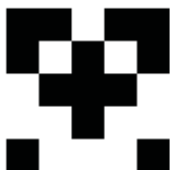
Company

Telephone +    Extension  E-Mail

File Number  Description

**For your protection, ensure the following before signing:**

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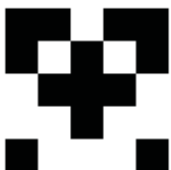
**Unlock Form and Remove Signature Pages**

Once you have clicked the Lock Form and Create Signature Pages button, you will not be able to change the registration form. You will be able to fill in certain areas in the signature pages before printing.

If you want to change the registration form once the signature pages have been created, you must click the Unlock Form and Remove Signature Pages button. If you do this, you will lose all changes made to the signature pages. Any signature pages already printed will be invalid and will have to be regenerated, reprinted and, where they have already been signed, resigned.

**For your protection, ensure the following before signing:**

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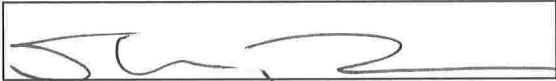
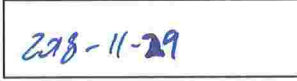




SIGNATURES AND EVIDENCE

1. The mortgagor is or is entitled to be the owner of the land.
2. The mortgagor hereby mortgages to the mortgagee its interest in the land as security for performance of all its obligations herein.
3. The mortgagor promises to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the age of majority.
6. Additional evidence


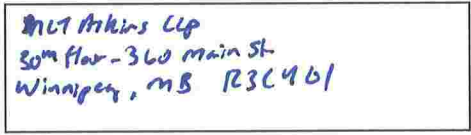

[Empty box for additional evidence]

Mortgagor 10026923 MANITOBA LTD.


Signature  Date   
 Name  (YYYY-MM-DD)  
 Employee     Officer     Director

Position   
*I am an employee of the corporation and have authority to bind same*

WITNESS

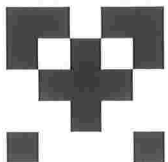
Signature  Address   
 Name 

- This person witnessed all signatures by 10026923 MANITOBA LTD.
- The mortgagee is a financial institution and the witness is
- An officer of the mortgagee
  - An employee of the mortgagee
  - A person designated by the mortgagee
- Document witnessed inside Canada by
- Practising lawyer
  - Notary public in the Province of British Columbia or Quebec
  - A person entitled to administer oaths inside or outside of Manitoba

 District Registrar approval required

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3. All 5 Mortgage content pages are present.





Title

Expires on   Does not expire

(YYYY-MM-DD)

Document witnessed outside of Canada by a person entitled to administer oaths outside of Manitoba

Title

Expires on   Does not expire

(YYYY-MM-DD)

Notary certificate under seal attached

**WHO MAY BE A WITNESS**

Only those persons specified in the section 72.4 of *The Real Property Act* may act as a witness to this document.

**NOTICE TO WITNESSES**

By signing as witness you confirm that the person whose signature you witnessed:

1. Is either personally known to you, or that their identity has been proven to you.

AND

2. That they have acknowledged to you that they:  
(a) are the person named in this instrument;  
(b) have attained the age of majority in Manitoba; and  
(c) are authorized to execute this instrument.

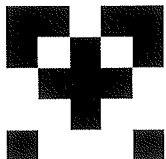
By virtue of section 194 of *The Real Property Act*, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to *The Manitoba Evidence Act*.

***The Mortgage Act* provides that the mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every 12 months, or as needed for pay off or sale.**

SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE. In this document "I" or "me" is to be read as including all mortgagors, encumbrances, mortgagees and encumbrancers whether individual or corporate.

**For your protection, ensure the following before signing:**

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2. The 32 character control number below is present and identical on all pages.

**51BA-33B1-F584-4E77-A031-5CB0-6AD4-DCB7**

3. All 5 Mortgage content pages are present.

# Document Review

**The Property Registry**  
A Service Provider for the Province of Manitoba



Registration #	Type	New Titles
1135535/5	Mortgage	
Notes		
1 2018-12-7	Patricia Underwood	Box 3 land 2 - 1029384 already discharged, 1029740 is a CREQ - pass



Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10026922 MANITOBA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$322,500.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

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

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

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

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

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

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

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

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

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

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

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

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

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

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

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

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

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

licable in all  
S.A.  
pt Ontario.)

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EXECUTED this

*D*

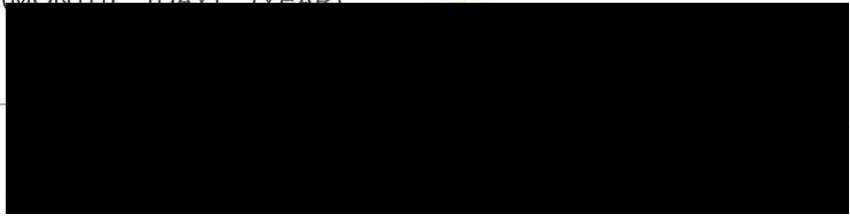
*11 / 30 / 2018*

(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

*[Handwritten Signature]*

Witness Signature:



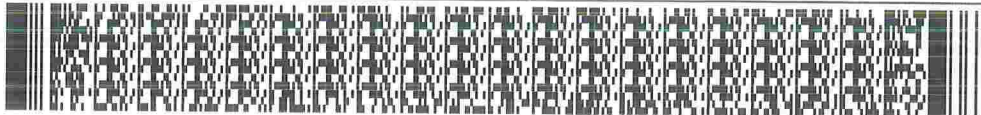
Name: *Some Darden*

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

Full name and address

*[Redacted Name and Address]*

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Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10026922 MANITOBA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$322,500.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

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

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

Please do not write in this area



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

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

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

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

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

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

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

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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

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

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

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

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

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

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

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

Please do not write in this area



RBC585848245003004000812

EXECUTED this November 30, 2018  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF  
Witness Signature: *Steven Fureina*

*[Signature]*  
SHANE ERIC CARL DAERDEN

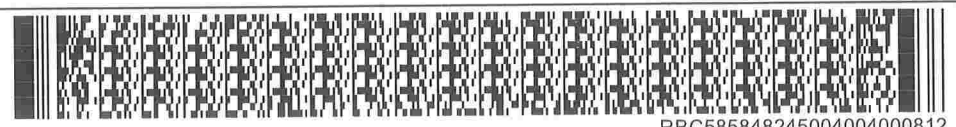
Name: Steven Fureina

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

Full name and address

SHANE ERIC CARL DAERDEN  
371 NIAGARA ST  
WINNIPEG  
MANITOBA  
R3N0V3  
CA

Please do not write in this area





Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10026922 MANITOBA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$322,500.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

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

- (1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.
- (2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.
- (3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

Please do not write in this area



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

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RBC585848245003004000812

EXECUTED this

11 / 29 / 2018 .

(MONTH)

IN THE PRESENCE OF

Witness Signature:

Name:

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

Full name and address

[Redacted signature and name area]

Please do not write in this area



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Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10026922 MANITOBA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$322,500.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

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(Applicable in all P.P.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

Please do not write in this area



RBC585848245003004000812

EXECUTED this November 30, 2018  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

*Steven Ferrelin*  
Witness Signature:

Steven Ferrelin  
Name:

NICK'S REPAIR SERVICE LTD.  
*[Signature]*

\_\_\_\_\_  
Witness Signature:

\_\_\_\_\_  
Name:

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

Full name and address

NICK'S REPAIR SERVICE LTD.  
149 PTH 16 WEST  
NEEPAWA  
MANITOBA  
R0J1H0  
CA

Please do not write in this area





Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10026922 MANITOBA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$322,500.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

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

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

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

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

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

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

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

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

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

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

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

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

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

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

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

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

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

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

(Applicable in all P.P.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.


Please do not write in this area




RBC585848245003004000812

EXECUTED this November 30, 2018  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

  
Witness Signature:

Steven Ferrara  
Name:

COLLISION KINGS GROUP INC.  


\_\_\_\_\_  
Witness Signature:

\_\_\_\_\_  
Name:

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

Full name and address

COLLISION KINGS GROUP INC.  
SUITE 1600, 100 KING ST W  
TORONTO  
ONTARIO  
M5X2A1  
CA

Please do not write in this area



RBC585848245004004000812



Royal Bank of Canada  
Postponement and Assignment of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of **10026922 MANITOBA LTD.** (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable In PPSA Provinces) The Undersigned hereby acknowledges receipt of a copy of this agreement.  
(Applicable in all PPSA Provinces except Ontario) The Undersigned hereby waives Undersigned's right to receive a copy of any financing statement or financing change statement registered by the Bank, or of any verification statement with respect to any financing statement registered by the Bank.

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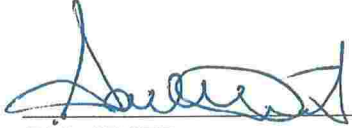


RBC585848245001002000918

EXECUTED at NEEPAWA, MB this 11 29 18  
(Month) (Day) (Year)

In the presence of

\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
GAIL WHITE

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at \_\_\_\_\_ this \_\_\_\_\_  
(Month) (Day) (Year)

In the presence of

10026922 MANITOBA LTD.

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_

Insert the full name and address of Debtor (Undersigned above)

Full name and address

GAIL WHITE  
149 PTH 16 W  
NEEPAWA  
MANITOBA  
R0J1H0

Please do not write in this area



RBC585848245002002000918



EXECUTED at \_\_\_\_\_ this \_\_\_\_\_  
(Month) (Day) (Year)

In the presence of

Witness \_\_\_\_\_ GAIL WHITE

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Winnipeg, Manitoba this November 30<sup>th</sup>, 2018  
(Month) (Day) (Year)

In the presence of

Witness [Signature] \_\_\_\_\_ 10026922 MANITOBA LTD.  
[Signature]

Witness \_\_\_\_\_

Insert the full name and address of Debtor (Undersigned above)  
Full name and address

GAIL WHITE  
149 PTH 16 W  
NEEPAWA  
MANITOBA  
R0J1H0

Please do not write in this area



RBC585848245002002000918

**RBC - Commercial Financial Services**  
100- 220 Portage Avenue  
Winnipeg, Manitoba R3C 0A5  
Phone: (204) 285-3051  
Fax: (204) 988-4487  
Email: gregory.bryant@rbc.com

November 28<sup>th</sup> 2018

**Private & Confidential**

Gail White

Dear Mrs. White,

Royal Bank of Canada (the "Bank") refers to the Postponement and Assignment of Claims on the Bank's form 918 signed by you (the "Postponement") in respect of the liabilities under a Vendor Takeback loan for \$127,500 owing to you by 10026922 MANITOBA LTD. (the "Borrower").

This is to confirm that notwithstanding the terms and conditions of the Postponement, the Borrower may make repayment of Principal to you in respect of the Vendor Takeback loan, provided that;

- a) the Borrower is in compliance with all terms and conditions of the credit agreement between the Borrower and the bank (the "Credit Agreement"), and with all terms and conditions of all security documentation provided to the Bank (as the same may be amended, superseded, restated or replaced from time to time, the "Security Documents"), at the time of any such payment;
- b) the Bank has not cancelled the credit facilities or issued a demand for repayment under the Credit Agreement;
- c) The making of such payment would not cause the Borrower to breach any of the terms or conditions of the Credit Agreement or any of the terms or conditions of and Security Documents; and
- d) The making of such payment will allow for the Borrower to remain within the Debt Servicing financial covenant of 1.25:1

"A ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters – on a consolidated analysis of 10026922 MANITOBA LTD. AND 10026923 MANITOBA LTD."

- e) The making of such payment would not exceed a maximum of \$25,500 (1/5<sup>th</sup>) of the original loan amount per annum

The Bank reserves the right to cancel this letter at any time in its sole and absolute discretion.

Except for the amendments to the Postponements described above, the Postponements have not been amended or modified in any respect.

This amendment to the Postponements shall be governed by the laws of the Province of Manitoba and the federal laws therein.

Yours truly,



Greg Bryant  
Commercial Account Manager

Accepted and acknowledged this 29 day of November, 2018.



Gail White

Acknowledged this \_\_\_ day of November, 2018.

10026922 MANITOBA LTD.

\_\_\_\_\_  
Shane Daerden  
President

I/we have authority to bind the corporations



Royal Bank of Canada  
Postponement and Assignment of Claim

SRF: 585848245  
Borrower: 10026922 MANITOBA LTD.

220 PORTAGE AVE  
MAIN FLR  
WINNIPEG  
MANITOBA  
R3C 0A5  
CA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of **10026922 MANITOBA LTD.** (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSA Provinces)

The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in all PPSA Provinces except Ontario)

The Undersigned hereby waives Undersigned's right to receive a copy of any financing statement or financing change statement registered by the Bank, or of any verification statement with respect to any financing statement registered by the Bank.

Please do not write in this area



RBC585848245001002000918

EXECUTED at Neepawa, MB this 11 29 18  
(Month) (Day) (Year)

In the presence of

\_\_\_\_\_  
Witness

Garth White  
GARTH WHITE

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at \_\_\_\_\_ this \_\_\_\_\_  
(Month) (Day) (Year)

In the presence of

10026922 MANITOBA LTD.

\_\_\_\_\_  
Witness

\_\_\_\_\_

\_\_\_\_\_  
Witness

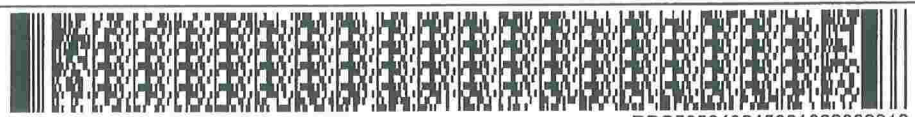
\_\_\_\_\_

Insert the full name and address of Debtor (Undersigned above)

Full name and address

GARTH WHITE  
BOX 1388  
NEEPAWA  
MANITOBA  
R0J1H0

Please do not write in this area



RBC585848245001002000918

EXECUTED at \_\_\_\_\_ this \_\_\_\_\_  
(Month) (Day) (Year)

In the presence of

Witness GARTH WHITE

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

EXECUTED at Winnipeg, Manitoba this November 30 2018  
(Month) (Day) (Year)

In the presence of

Witness [Signature] 10026922 MANITOBA LTD.  
[Signature]

Witness

Insert the full name and address of Debtor (Undersigned above)

Full name and address

GARTH WHITE  
149 PTH 16 W  
NEEPAWA  
MANITOBA  
R0J1H0

Please do not write in this area



RBC585848245002002000918

RBC - Commercial Financial Services  
100- 220 Portage Avenue  
Winnipeg, Manitoba R3C 0A5  
Phone: (204) 285-3051  
Fax: (204) 988-4487  
Email: gregory.bryant@rbc.com

November 28<sup>th</sup> 2018

**Private & Confidential**

Garth White

Dear Mr. White,

Royal Bank of Canada (the "Bank") refers to the Postponement and Assignment of Claims on the Bank's form 918 signed by you (the "Postponement") in respect of the liabilities under a Vendor Takeback loan for \$127,500 owing to you by 10026922 MANITOBA LTD. (the "Borrower").

This is to confirm that notwithstanding the terms and conditions of the Postponement, the Borrower may make repayment of Principal to you in respect of the Vendor Takeback loan, provided that;

- a) the Borrower is in compliance with all terms and conditions of the credit agreement between the Borrower and the bank (the "Credit Agreement"), and with all terms and conditions of all security documentation provided to the Bank (as the same may be amended, superseded, restated or replaced from time to time, the "Security Documents"), at the time of any such payment;
- b) the Bank has not cancelled the credit facilities or issued a demand for repayment under the Credit Agreement;
- c) The making of such payment would not cause the Borrower to breach any of the terms or conditions of the Credit Agreement or any of the terms or conditions of and Security Documents; and
- d) The making of such payment will allow for the Borrower to remain within the Debt Servicing financial covenant of 1.25:1

"A ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt calculated on a rolling 4 quarters basis for the fiscal quarter then ended and the immediately preceding 3 fiscal quarters – on a consolidated analysis of 10026922 MANITOBA LTD. AND 10026923 MANITOBA LTD."

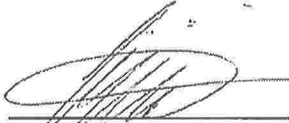
- e) The making of such payment would not exceed a maximum of \$25,500 (1/5<sup>th</sup>) of the original loan amount per annum

The Bank reserves the right to cancel this letter at any time in its sole and absolute discretion.

Except for the amendments to the Postponements described above, the Postponements have not been amended or modified in any respect.

This amendment to the Postponements shall be governed by the laws of the Province of Manitoba and the federal laws therein.

Yours truly,



Greg Bryant  
Commercial Account Manager

Accepted and acknowledged this 29 day of November, 2018.



Garth White

Acknowledged this \_\_\_ day of November, 2018.

10026922 MANITOBA LTD.

\_\_\_\_\_  
Shane Daerden  
President

I/we have authority to bind the corporations



THIS IS EXHIBIT "40" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.



---

Kaitlin Ward, Barrister & Solicitor

September 12, 2018

Shane Daerden  
371 Niagara Street  
Winnipeg, MB R3N 0V3

Dear Shane:

Re: Cover unforeseen cost overages with respect to recent purchase of Bunzy's Auto Body Ltd with respect to legal fees (\$50,000).

We are pleased to advise that Crosstown Civic Credit Union ("CCCU" or the "Lender") has approved the following credit facilities for your unconditional acceptance on the following terms and conditions contained in this letter (the "Commitment Letter").

**Borrower Name (the "Borrower"):**

Bunzy's Auto Body Ltd

**Guarantor(s):**

- Shane Daerden
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- Collision Kings Group Inc

---

**Facility #:** 1                      **Status:** Existing Credit Facility

**Purpose:** Operating

**Facility Type:** Line of Credit

**Approved Amount:** \$50,000

Forward margined with an available credit limit being the lower of the Approved Amount or the amount available as determined by the margin formula as set out below:

Accounts Receivable:  
(Excluding any priority payables/liens; intercompany receivables; holdbacks)

<u>Days Aged:</u>	<u>Lending Value:</u>
0-30 days	75%
31-60 days	60%
61-90 days	50%

**Repayment:** On demand; fluctuating with business receipts

**Terms:** Subject to all of the terms and conditions contained in the Line of Credit Agreement

**Interest Rate:** The CCCU prime lending rate of interest charged from time to time plus 2.00%  
(Presently 5.45%)

**Fees:** Monthly facility fee of \$25/month will apply.

**Security/Documentation on file:**

- Commercial Line of Credit Agreement for \$50,000.
- A new Commercial Line of Credit Agreement will be required once the subject newly formed company has amalgamated with Bunzy's Auto Body Ltd.

**Conditions/Reporting**

- Notwithstanding that the Line of Credit is on demand, it is also subject to an annual review.
- The Line of Credit is to revolve and liquidate periodically from normal business receipts. Should all or a portion the Line of Credit show evidence of no revolving, CCCU may at its discretion convert the non-revolving amount to a term credit facility with regular monthly payments.

**Conditions/Reporting**

**General:**

- Monthly aged lists of accounts receivable, accounts payable and inventory declarations (as applicable) are to be provided by the 15th day of the following month. Failure to deliver this information on time may result in a late reporting fee at the sole discretion of CCCU as well as potential denial of further credit advances. The monthly declarations are to be in a format satisfactory to CCCU and are to be certified as to completeness and correctness.
- Monthly declaration of inventory outlining both cost and market values together with such supporting data as CCCU may require

**Conditions/Reporting**

**General:**

- Notwithstanding that the Line of Credit is on demand, it is also subject to an annual review.
- The Line of Credit is to revolve and liquidate periodically from normal business receipts. Should all or a portion the Line of Credit show evidence of no revolvment, CCCU may at its discretion convert the non-revolving amount to a term credit facility with regular monthly payments.

**Facility #:** 2                            **Status:** Amended Credit Facility

**Purpose:** Cover unforeseen cost overages with respect to recent purchase of Bunzy’s Auto Body Ltd with respect to legal fees (\$50,000).

**Facility Type:** Commercial Mortgage Loan

**Approved Amount:** \$594,757 (present balance as of September 12, 2018 is \$544,757.20)

**Term Length:** 5 years

**Amortization:** 179 months remaining

**Repayment Terms:** Principal and Interest monthly

**Payment Amount:** \$4,720.96 (based on 5.00%)

**Fees:** Application fee \$3,100  
Annual Renewal Fee \$250  
Amendment fee \$500

**Interest Rate:** 5 year – 5.00%

**Prepayment Privilege:** Closed with Annual Payment – You have the right on each anniversary of the Interest Adjustment Date to pay up to 10% of the original principal amount of the loan. If you do not exercise this right on any anniversary of the Interest Adjustment Date you will not be able to carry this right forward to any future date.

**Security/Documentation on File:**

- Promissory Note in the amount of \$548,000. TO BE RELEASED AND REPLACED

**Security covering all facilities:**

- Account Opening Documents including Certificate of Corporate Authority
- Commercial Loan Application
- General security agreement providing a first charge to CCCU on all assets presently owned & after acquired of the Borrower
- Joint and several guarantees from Shane Daerden, for \$598,000.
- Corporate Guarantees from \_\_\_\_\_ and \_\_\_\_\_ for the \$598,000 with respective enabling resolutions.
- Corporate Guarantee from Collision Kings Group Inc for \$598,000 with enabling resolution.
- Registered Multi-Purpose first mortgage for \$750,000 over 52 Austin Street, Winnipeg subject to no prior liens or encumbrances
- General Security Agreement providing a first charge to CCCU on all assets presently owned and after acquired by Bunzy's Auto Body Ltd.
- Assignment of adequate fire insurance over 52 Austin Street, Winnipeg listing CCCU as first loss payable.
- Satisfactory building location certificate and conforming zoning memorandum or title insurance policy.
- Subrogation of shareholders loans in the amount that each investor has injected (i.e. 35% of the purchase price) which provides for postponement and assignment of all present & future amounts in favor of CCCU
- Waiver of life/disability insurance.
- All terms and conditions outlined in the Commitment Letter dated July 6, 2018 remains in effect and enforceable in conjunction with this Commitment Letter.

**Security/Documentation to be obtained:**

- Promissory Note in the amount of \$594,757.

**Conditions:**

Pre-Disbursement

- The corporate status of borrower
- Property tax and title search

**Financial Reporting:**

The Borrower shall provide or cause to be provided to the Lender:

1. Within 120 days after the end of each fiscal year of the Borrower, or more often if requested by the Lender, a detailed Review Engagement financial statement for the Borrower.

## Financial Reporting:

The Borrower shall provide or cause to be provided to the Lender:

2. For each Guarantor:
  - i. In the case of corporate Guarantors, a financial statement within 120 days after the end of each fiscal year of each corporate Guarantor, or more often if requested by the Lender.
  - ii. In the case of each individual Guarantor, a signed personal net worth and income statement biennially, or more often if requested by the Lender.

Such statements are to be in form and content satisfactory to the Lender.

3. In-house monthly financial statements showing detailed income and expense figures for the month, as well as a month end balance sheet
4. Within 60 days of the required payment date, provide evidence that realty taxes have been paid, failing which the Lender is authorized to obtain a tax certificate(s) at the borrower's expense.
5. Any other financial information as reasonably requested by the Lender from time to time.

## Financial Covenants:

1. Debt Coverage Ratio is to be at a minimum of 1.25 times as evidenced by the year-end financial statements.
  - Debt Coverage Ratio = Cash Flow / Principal & Interest payments on all debt
  - "Cash Flow" is defined as:  
Net income + Amortization + Interest Expense – Dividends paid +/- Changes in Related (Affiliated) Accounts (i.e. shareholder loans, related company payments/advances)
2. Debt to Equity Ratio is to be at a minimum of 1.50:1 as evidenced by the year-end financial statements.
  - Debt to Equity = (Total Debt – Postponed Shareholders Loans\*) / (Shareholder's Equity + Postponed Shareholders Loans\*)
  - \*Shareholders loans are deemed to be postponed if there is a guarantee from the shareholders in question or if a formal subrogation agreement has been signed.*
3. Capital expenditures are not to exceed \$10,000 without the prior written consent of CCCU

## Other Covenants:

1. The borrower shall not:
  - i. become guarantor, indemnitor or endorser or otherwise become liable upon any note or other obligation other than in the normal course of business of the Borrower
  - ii. declare or pay dividends on any class or kind of its shares, repurchase or redeem any of its shares or reduce its capital in any way whatsoever, repay any shareholders' advances or otherwise withdraw or distribute any equity or profit
  - iii. incur or take on additional indebtedness without the written consent of CCCU
  - iv. permit subsequent encumbrances on the subject property including vendor take backs without the written consent of CCCU

## General Conditions:

### Confidentiality:

This Commitment Letter and its substance shall not be disclosed by the Borrower or the Guarantor(s), publicly or privately, except to counsel, accountants, employees, and agents of the Borrower who are specifically involved in the proposed transaction.

### Currency:

Dollar amounts expressed herein shall refer to Canadian funds unless otherwise specified.

### Interpretation of Agreement:

This agreement shall be interpreted in accordance with the laws of the Province of Manitoba.

### Successors and Assigns:

This commitment shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.

### Documentation:

The Borrower agrees and acknowledges that the documentation described in this letter of commitment required to finalize this transaction may not be all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable.

### Personal Property Registry Waiver:

The Borrower and Guarantor(s) hereby waive all rights to receive a copy of any financing statement, financing change statement, verification or confirmation of registration of a financing statement issued by the Personal Property Registry. This applies to those filed or issued at any time in respect of registrations undertaken by the Lender pursuant to the security delivered hereunder by the Borrower. The term Borrower shall include any person or entity that has rights in the secured collateral that is subject to the security interest claimed by the Lender.

**Credit Union Life and Disability Program:**

The subject accommodation(s) are not insured as to the life or disabilities of the Borrower and/or Guarantor(s); shareholders; officers; directors and/or employees of the Borrower, and acceptance of this Commitment Letter includes acknowledgement of this non-insurance.

**Events of default:**

In the event of default or un-remedied default the loan(s) shall immediately become due and payable. The following represent events of default (without limiting the additional events of default as outlined in any other loan documentation or security):

- a) Failure to comply at all times with the terms and conditions of this commitment letter, any loan document, or other reasonable requirements of the lender
- b) In the opinion of the Lender, any material deterioration in the financial condition of the Borrower, Guarantor(s) or in the value of pledged security. This includes any pending legal matters deemed detrimental to the affairs of the Borrower and/or Guarantor(s)
- c) Any change in ownership or voting control of the Borrower and/or Guarantor(s) without the Lender's prior written consent

**Syndication, Sale or Assignment of the Loan(s):**

The Lender will have the right, at no additional cost to the Borrower, to syndicate, sell, assign or transfer all or any portion of the Loan(s), whether directly or by way of securitization, and as part of any such transaction the Lender is authorized to provide to prospective participants in such transactions all information received by the Lender regarding the Borrower, the Guarantor(s) and the project.

**Access to Premises:**

The Lender shall have the right to access property that forms part of its security, or property where the Lender's security is located, in order to view, inspect, realize on or otherwise deal with the security.

**Waiver:**

The Lender's failure to insist upon strict performance of any obligation or covenant in this Commitment Letter by the Borrower, or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment Letter and any related documentation.



**Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA): ("The Act")**

Pursuant to the PCMLTFA, the Lender is required to obtain specific information including but not limited to identification with respect to the Borrower, any beneficial owner, Guarantor(s) or third party involved in transactions, and in each case company shareholders, officers and directors. The Borrower and any Guarantor(s) hereby covenant and agree to provide forthwith upon request, such identification and information as may be required to ensure the Lenders compliance with The Act.

**Notice:**

Any notice shall be considered given if served personally, or if mailed, by prepaid registered post addressed to us at the Corporate Office address shown on the face of this Commitment Letter, and in the case of the Borrower, at the address indicated in this letter. Every such notice shall be deemed to have been given upon the day it was personally served, or if mailed, upon the second postal date after it was mailed. Either of the parties may designate in writing, a substitute address from that set forth above, and thereafter any notice shall be directed to such substituted address. In the event of a postal strike, or in the event of the interruption of mail service, then all notices must be delivered to the address set out, or such other address as may have been designated.

**Counterparts:**

The Commitment Letter may be signed in any number of counterparts and each counterpart will be deemed to be an original but all such counterparts will be read together as if they were one original. Delivery of an executed counterpart of this Commitment Letter by facsimile or transmitted electronically in portable document format (PDF) shall be equally effective as delivery of a manually executed counterpart of this Commitment Letter.

**Changes:**

No term or condition of this Commitment Letter or of any of the security may be waived or varied orally or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment Letter or the security must be authorized in writing and signed by an authorized officer of the Lender.

**Cancellation and Lapse:**

At the option of the Lender, the Commitment Letter may be cancelled and the obligations of the Lender ended if, in the opinion of the Lender any of the follow is in evidence:

- a) In the Lender's opinion there has been a material adverse change in the financial condition of the Borrower; a material adverse change in the condition of pledged security/property or related revenues; or any other circumstance affecting the perceived risk of this transaction
- b) In the event the Borrower &/or one or more of the Guarantors is involved in any litigation or in potentially damaging proceedings before any Government Board, Tribunal or Agency which were known to the Borrower but not disclosed to the Lender prior to the date of this offer
- c) If documentation, conditions or any other requirements contained in this offer are not completed and loan proceeds are not fully disbursed within 60 days of the acceptance of this Commitment Letter

**Disbursement:**

Disbursement of the proceeds of the various credit facilities offered herein is subject to meeting all of the requirements contained in this offer of credit and to delivery of the security and all documentation outlined in this offer of credit or as may be required in form and content satisfactory to the Lender and its solicitors.

**Personal Investigation:**

I/we hereby consent to the conduct of a personal investigation by the Lender. The personal investigation may involve enquiries from any credit bureau, as well as any current or former financial institution, lender or landlord. This is to allow the Lender to assess my/our creditworthiness now and in the future. The information to be collected relates to my/our borrowing and repayment history and performance. The Lender is authorized to disclose financial information to other financial institutions, lenders or credit bureaus, on direct enquiry by any of them to allow ongoing assessment of my/our creditworthiness now and in the future and I/we agree to indemnify the Lender from any claims arising from any such disclosure. This consent, authorization and indemnity shall continue in effect as long as my/our membership at Crosstown Civic Credit Union continues, even if I/we have later given a specific consent to a personal investigation for a particular loan or loans. The Borrower and the Guarantor(s) may refuse or withdraw these consents, however this may result in the Lender cancelling or withholding products or services for which these consents are necessary.

**Rate Guarantee:**

Rates quoted on new loan facilities/undrawn funds are good for 60 days from the date as noted on the first page of this Commitment Letter and are otherwise subject to change.

**Fees:**

Upon your acceptance of this commitment, we will require payment as follows:

- a) **Application/Processing Fee:** The Lender requires an application/processing fee of \$500.  
**Amendment Fee:** Any requested changes to the terms or conditions of the credit facilities during the course of the credit accommodations will be subject to a minimum fee of \$500.
- b) **Annual Review Fee:** A non-refundable fee in the amount of \$250 will be required on an annual basis.
- c) **Administration Fee:** Throughout the term of the credit accommodations, the Lender reserves the right to charge the Borrower a non-refundable administration fee of \$100 plus out of pocket costs for any administration which is deemed out of the ordinary. Examples include but are not limited to: the collection and or payment of property tax arrears, collection of mortgage payment arrears, follow-up for any late financial reporting, execution of any non-standard legal agreements during the course the credit accommodations (for example, non-disturbance agreements etc.) The administration fee will be due and payable on account of the Lender's cost for administering the subject loan and not as penalty.

**Signature Page**

This commitment is based upon and is subject to the accuracy of all material provided and representations made in (and in connection with) your application for this loan. By applying your signature you are attesting that the information provided is true and representative of the present financial position of the Borrower and any Guarantor(s).

If satisfactory, please indicate your acceptance by initialing all pages of this commitment and signing the document below.

If you have any questions feel free to contact me.

James Krueger  
Commercial Account Manager  
204-594-4055  
jkrueger@crosstowncivic.mb.ca

**Acknowledgement and Acceptance:**


By signing below I/we are agreeing to the terms of this Commitment Letter inclusive of any schedules, and acknowledge receiving a copy of same. I also acknowledge that these credit facilities qualify for CCCU's Patronage Dividends (Member Rewards) under our Member Equity Plan subject to any payout occurring and/or any amendments made to the program in the future.

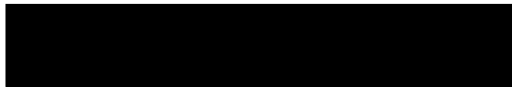
If written unconditional acceptance and the required fees are not received within 30 days of the date of this offer, the offer of financing will expire.

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**BY THE BORROWER:**

Bunzy's Auto Body Ltd

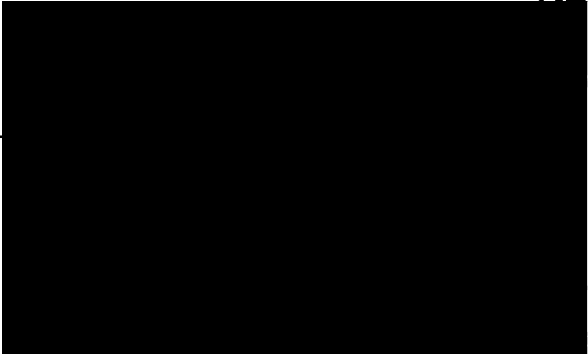
  
Print Name: DAERDEN Shane  
Title: President



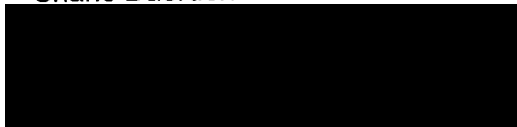
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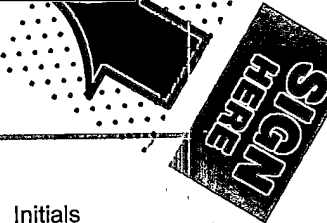
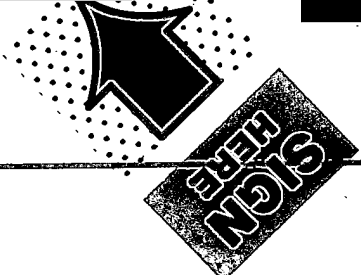
**BY THE GUARANTOR(S):**

  
Shane Daerden

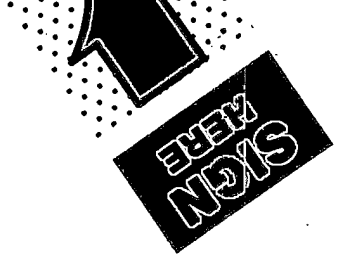
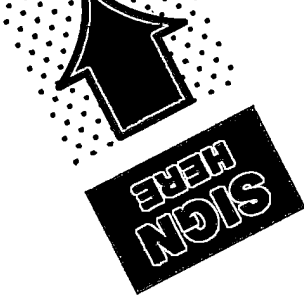
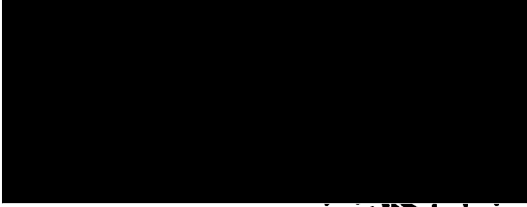








BY THE GUARANTOR(S):



# LOAN RENEWAL AGREEMENT

## (FOR USE WITH A LOAN UNDER A MULTI-PURPOSE MORTGAGE)

Date: June 19th, 2023  
 Mortgagor/Borrower: Bunzy's Auto Body Ltd

Mortgage Number:  
 Mortgage/Credit Union:  
 Access Credit Union Limited  
 Stanley Business Centre 23111 PTH 14 Unit 2  
 Stanley MB R6P 0B1

Covenantor/Guarantor:

Covenantor  Guarantor    Loan Number: 652385970049  
 Covenantor  Guarantor    Contact Person:

Mortgaged Property:  
**52 Austin St Winnipeg MB R3B 0Z7 Canada**

Phone Number: 1-800-264-2926  
 Email: [mortgagerenewal@accesscu.ca](mailto:mortgagerenewal@accesscu.ca)

We are pleased to offer a renewal of your Loan under your Multi-Purpose Mortgage (the "Mortgage") and have outlined the current details below for your convenience. Should you wish to make changes under your Loan, please call or drop by to discuss your options. If you need assistance in completing this Loan Renewal Agreement (the "Agreement"), please call.

Prepayment Type: Closed with Annual Payment 20%  
 Annual Interest Rate: 5.00000 %    Equivalent Rate: 4.94870 %    Amount of each payment: \$4,721.00  
 Balance Due Date: September 15th, 2023    Payment Frequency: Monthly

Based on your present Payment Frequency, detailed below are the renewal options available for you to choose from. Please initial your choice below and return **ONE SIGNED COPY** to our office by September 15th, 2023 and we will **GUARANTEE THE LOWEST ANNUAL INTEREST RATE** offered between the issuance of this offer of renewal and the Balance Due Date. In the event rates decrease, we will advise you of the reduced Annual Interest Rate and Amount of each payment. If you have not returned this signed offer by the Balance Due Date or you have not informed us in writing of your intention to pay off the Loan, we may, at our option, renew your Loan for a Fixed Interest Rate 60 Months Closed at the Annual Interest Rate and Amount of each payment as shown below based on your current Payment Frequency. This offer is made assuming that all payments due up to and including the Balance Due Date are paid as scheduled.

Estimated Balance At Due Date: \$478,098.09    First Payment Commences: October 15th, 2023    Remaining Amortization: 125 months

### CURRENT FIXED INTEREST RATES

**PREPAYMENT TYPE:** Closed with Annual Payment 20%

Term (months)	Annual Interest Rate*	Equivalent Rate**	Amount of each payment	Total of All Payments	Total Interest Cost	New Balance Due Date	Projected Balance at New Due Date	Initials
12	6.84000%	6.74452%	5,335.00	64,020.00	31,327.95	15 Sep 2024	445,409.64	
24	6.64000%	6.54997%	5,287.00	126,888.00	58,512.02	15 Sep 2025	409,725.47	
36	6.54000%	6.45263%	5,264.00	189,504.00	82,927.83	15 Sep 2026	371,556.84	
48	6.44000%	6.35526%	5,240.00	251,520.00	104,047.70	15 Sep 2027	330,662.26	
60	6.24000%	6.16039%	5,192.00	311,520.00	119,859.20	15 Sep 2028	286,448.09	

\* The Annual Interest Rate is a fixed rate per annum, calculated semi-annually, not in advance. There are no borrowing costs other than interest, therefore the Annual Interest Rate is the Annual Percentage Rate (APR).

\*\* The Equivalent Rate is necessary to calculate how your payments are applied, firstly to interest and secondly to principal. It is lower than the Annual Interest Rate to compensate for the increase in Payment Frequency.

### CURRENT VARIABLE INTEREST RATES

Term (months)	Prepayment Type	Annual Interest Rate*	Increment +/-	Amount of each payment	Total Payments	Total Interest Cost	New Balance Due Date	Projected Balance at New Due Date	Initials
125	Open	*1 7.95000%	1.00000%	5,852.00	684,896.03	206,797.94	15 Feb 2034	212.03	
		*2							
		*3							

\*The Annual Interest Rate is a variable rate per annum, calculated based on Payment Frequency. There are no borrowing costs other than interest, therefore the Annual Interest Rate is the Annual Percentage Rate (APR). It is based on our Prime (hereinafter referred to as the "Prime") plus/minus the increment indicated and it may vary from time to time. Any change in our Prime will result in an immediate adjustment to the Annual Interest Rate on your Loan. As of today, our Prime is 6.95000%.

If the Annual Interest Rate increases beyond the Annual Interest Rate identified below, the Amount of each payment may not be sufficient to cover the interest owing. We may adjust the Amount of each payment to account for changes in our Prime to ensure it covers accrued interest between payments.

\*1 14.06573%                      \*2 \_\_\_\_\_%                      \*3 \_\_\_\_\_%

## Other Terms and Conditions:

1. Our current fee for preparation and execution of:

- i. discharge document \$ 224.00 ;
- ii. transfer document \$ 200.00 .

2. If you have optional insurance coverage in place, you have the right to cancel this service as provided by the insurance provider.

3. Default Charges:

If your Loan is in default for any reason you will have to pay any and all of these amounts:

- i. the missed payments;
- ii. interest on any missed payments;
- iii. reasonable charges respecting legal costs we incur in collecting or attempting to collect payments;
- iv. reasonable charges respecting costs including legal costs we incur in realizing on a security interest or protecting the subject-matter of a security interest after default;
- v. reasonable charges respecting costs we incur because your cheque or other payment is dishonoured; and
- vi. our current default charge is \$ 25.00 .

4. Skip a Payment:

At our option, so long as you meet any qualifying and notice requirements as specified by us, you may be allowed to skip a regular payment on your Loan from time to time at such times and frequencies as we may allow. Interest will continue to accrue and be payable on the unpaid principal amount of the skipped payment but not on the unpaid interest. The time for the last payment on the Loan may be extended beyond the New Balance Due Date if you choose that option. If you do not choose that option, the amount owing on the New Balance Due Date will be greater than originally projected. The Skip a Payment Fee is \$ 25.00 .

5. Right to Deal Freely With any Loan Secured by your Mortgage:

Each of the Borrower, or Covenantor, if any, and any guarantor hereby acknowledges and agrees that, as provided herein, the Credit Union, at its option exercisable in its sole discretion, may insure or, in connection with the Credit Union obtaining any financing under a program for pooling and securitizing housing loans administered by Canada Mortgage and Housing Corporation (a "CMHC Program"), deal with all or any part of the Loan created under this Loan Agreement, including any related obligations, or any interest therein (the "Loan Amount"), without restriction and without notice to the Borrower, or Covenantor, if any, and any guarantor, or any other person, and that it has consented to such insurance being obtained and/or dealings and that no further notice is required. Furthermore, with respect to any loan that is insured and/or financed under a CMHC Program, each of the Borrower, or Covenantor, if any and any guarantor hereby acknowledges and agrees that:

- i. any new or additional advances, increases to principal, or further borrowings or extensions of the terms, including in the case of any fluctuating account or accounts, revolving loans, lines of credit, additional or further advances beyond an initial advance, re-advances, and multiple facilities made after the initial advance (each an "additional advance" and, collectively, "additional advances"), on such terms as notified to the Borrower from time to time, are only permitted on the condition that (i) each additional advance is a new loan, or (ii) all such additional advances are in the aggregate a new loan, and in each case of (i) or (ii), the new loan will be treated as a separate and distinct loan for all purposes including enforcement, made to the Borrower, whether or not same continue to be secured by the Mortgage securing the insured and/or financed loan, and each of the Borrower, any Covenantor and any other guarantor covenants and agrees to enter into such additional or new security documentation requested by the Credit Union to evidence the foregoing, including and without limitation a new commitment letter and a new charge;
- ii. any references or rights, in favour of the Credit Union or otherwise, with respect to any consolidation of any security, mortgages, loans, or property with respect to any loan that is insured and/or financed under a CMHC Program, are disclaimed by the Credit Union and not applicable, with the intent that the Mortgage securing only the loan(s) that are insured and/or financed under a CMHC Program be registered against the land against which the Mortgage is registered (the "Land") and the Land only secures the loan(s) that are insured and/or financed under a CMHC Program and no other indebtedness; and (c) any references or rights, in favour of the Credit Union or otherwise, with respect to any cross-collateralization or cross-default of any security, mortgages, loans, or property, or the granting of property as security for more than one loan, or more than one loan being secured by a single property, in cases where not all of such loans secured by the Mortgage are insured and/or financed under a CMHC Program, are disclaimed by the Credit Union and not applicable with respect to any loans that are not insured and/or financed under a CMHC Program, with the intent that the Mortgage securing only the loan(s) that are insured and/or financed under a CMHC Program shall be registered against the Land and the Land shall only secure the loan(s) that are insured and/or financed under a CMHC Program and no other indebtedness, provided, for the avoidance of doubt, that (i) any part of the Loan Amount in respect of any loan(s) (including, for the avoidance of doubt, without limitation, any costs and expenses with respect thereto) that is/are insured and/or financed by the Credit Union under a CMHC Program shall have priority as to payment, collection and in respect of Mortgage enforcement over any other loan made by the Credit Union to the Borrower from time to time pursuant to a Loan Document secured or to be secured by the Mortgage that is not insured and/or financed under a CMHC Program; (ii) in no event shall the Credit Union seek an order under any bankruptcy legislation or file or prove a claim in any bankruptcy proceeding or for the appointment of any trustee in bankruptcy in respect of the Borrower, any Covenantor or any other guarantor until after the date that the outstanding principal amount of all loans that are insured and/or financed under a CMHC Program are irrevocably discharged in full; and (iii) to the extent that all insurance proceeds and realization proceeds arising from or relating to enforcement of the Mortgage are insufficient to irrevocably discharge in full all of the Loan Amount, the deficiency in respect of any part of the Loan Amount other than the part(s) of the Loan Amount in respect of loans that are insured and/or financed under a CMHC Program shall be borne by the Credit Union and the Credit Union shall not pursue any judgment in respect of an amount that is greater than such deficiency.

6. Insured Loan under a Multi-Purpose Mortgage:

Notwithstanding any provisions in the standard charge mortgage terms incorporated into the Mortgage which the Loan is secured (the "SCMTs"), if your Loan is insured by a mortgage default insurer and is sold, assigned, syndicated or securitized into a CMHC 975 Pool Program, the following provisions shall apply:

- i. Notwithstanding the provisions for additional or further advances contained in the SCMTs, there is no right for additional advances or further advances of monies repaid on account of the Loan and all monies applied in reduction of the Loan Amount secured by the Mortgage shall permanently reduce the balance owing under the Loan;
- ii. Notwithstanding the provisions contained in the SCMTs stating that the Mortgage shall secure all amounts owing from time to time by you to us, the only additions to the amount secured under the Loan shall be interest accruing but unpaid and any costs incurred by us and that are, under the provisions of the SCMTs, The Mortgage Act, The Real Property Act or any other law, ordinance or regulation, allowed to be added to the Loan Amount.
- iii. The Mortgage shall stand as security only for this Loan that has been sold, assigned, syndicated or securitized into a CMHC 975 Pool Program for as long as the Loan remains in a CMHC 975 Pool Program.

**You agree as follows:**

- a) This Agreement amends and extends your Loan; it is not meant to create an entirely new mortgage or, subject to Section 5 of the Other Terms and Conditions above, to amend or prejudice any rights we may have with regard to any security collateral to the Mortgage or to any other person not a party to this Agreement, whether such person is an original or previous borrower, covenantor, guarantor, surety, or subsequent encumbrancer, or anyone interested in the Mortgaged Property, or the rights of any such person, all of which rights are to continue unaffected by this Agreement.
- b) This Agreement only applies to the Loan identified by the Loan Number indicated on the front page of this Agreement. All other loans secured by your Mortgage remain unchanged.
- c) For the purpose of any statutory right of prepayment, the date of your Mortgage is now considered to be the first day of the extended term of your Loan specified in this Agreement.
- d) That since the date of the last survey of the Mortgaged Property no new structures (including decks, swimming pools, sheds or other outbuildings) have been added to the Mortgaged Property, nor have any changes been made to the existing structure on the Mortgaged Property as disclosed by that survey.
- e) We reserve the right to register a caveat against the Mortgaged Property to give notice of this Agreement, and if we require you to do so, you will obtain the written consent to this Agreement from all those persons who have registered claims or interests against the Mortgaged Property subsequent to the date of the original registration of the Mortgage.

Please sign below.

Yours truly,

\_\_\_\_\_

Access \_\_\_\_\_ Credit Union Limited

**ACCEPTANCE**

By signing this Agreement, you agree to renew the Loan and to repay all monies now due or to become due under the terms of the renewal and to perform all terms and conditions of this Agreement and of the Mortgage and acknowledge receipt of a complete copy of this Agreement. All Mortgagor(s),Covenantor(s) and Guarantor(s) must sign before the renewal is effective.

_____	_____	_____
<i>Date</i>	<i>Signature (Mortgagor)</i>	<i>Signature (Mortgagor)</i>
_____	_____	_____
<i>Date</i>	<i>Signature (Mortgagor)</i>	<i>Signature (Mortgagor)</i>
_____	_____	_____
<i>Date</i>	<i>Signature (Covenantor/Guarantor)</i>	<i>Signature (Covenantor/Guarantor)</i>

THIS IS EXHIBIT "41" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 30<sup>th</sup> day of January, 2024



---

Kaitlin Ward, Barrister & Solicitor



# FIXED RATE DEMAND PROMISSORY NOTE

Loan No. M91-02	Account Number 5238597
Debtor Name Bunzy's Auto Body Ltd. <small>(hereinafter called the "Debtor")</small>	Credit Union Name <b>Crosstown Civic Credit Union Limited</b> <small>(hereinafter called the "Credit Union")</small>
Address 371 Niagara Street, Winnipeg, MB R3N 0V3	Address <b>171 Donald Street</b> <b>Winnipeg, MB R3C 1M4</b>

FOR VALUE RECEIVED, the undersigned Debtor promises to pay to the Credit Union ON DEMAND at the address of the Credit Union in Manitoba set out above, the principal sum of Five Hundred Ninety Four Thousand Seven Hundred Fifty Seven-----

-----00/100 DOLLARS (\$594,757.00) (the

"Principal Sum") together with interest thereon or the outstanding balance thereof calculated from the date hereof at a rate of

Five----- PERCENT (05.00%) per annum, calculated daily and payable

Monthly----- (the "Interest Rate") as well after as before maturity, default and judgment until paid in full.  
(frequency)

The undersigned Debtor, prior to the Credit Union making demand for payment in full, agrees to repay the principal sum and interest thereon as set forth in the Schedule of Payments below if the payments therein provided are expressed in terms of blended principal and interest or fixed principal plus accrued interest, or to pay interest payments as set forth in the Schedule of Payments below if the payments therein provided are for interest only payments.

### SCHEDULE OF PAYMENTS

Total Number of Payments	Payment * Frequency	Amount of ** Payment	Commencement Date	Due Date
<b>60</b>	<b>Monthly</b>	<b>\$4,721.00</b>	<b>Oct 15, 2018</b>	<b>Sept. 15, 2023</b>

\*Payment frequency means weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually.

\*\*Amount of payment to be expressed as "\$XXX.XX" for blended principal and interest; "\$XXX.XX + Interest" for fixed principal plus accrued interest; and "Interest" for interest only payments.

So long as demand has not earlier been made, the principal sum or any outstanding balance remaining unpaid, if any, and interest due thereon at the Interest Rate, shall become due and payable on the due date. All payments of either blended principal and interest or fixed principal plus accrued interest received by the Credit Union hereunder shall be applied firstly towards interest then due, and secondly towards principal. The Credit Union reserves the discretion to apply payments to principal only. The exercise of said discretion in no way constitutes a variation in the written terms of the promissory note or a waiver of the Credit Union's right to apply all payments firstly towards interest then due and secondly towards principal.

The undersigned Debtor hereby waives presentment for payment, demand, protest and notice of protest and dishonor of the same.

THE DEBTOR ACKNOWLEDGES RECEIPT OF A DUPLICATE COPY OF THE WITHIN PROMISSORY NOTE (WHICH COPY SHALL BE NON-NEGOTIABLE) AND THE PARTICULARS OF LOAN HEREIN SET FORTH.

SIGNED by a duly authorized officer of the corporation on \_\_\_\_\_

Sept 13/18  
(Insert Date)

IN THE PRESENCE OF:

**Bunzy's Auto Body Ltd.**  
(Name of Corporation)

Witness \_\_\_\_\_

Per: \_\_\_\_\_  
(Signature and Title)

Affix  
Corporate  
Seal

Witness \_\_\_\_\_  
(Complete if Corporation does not have a seal)

Per: \_\_\_\_\_  
(Signature and Title)



# GENERAL SECURITY AGREEMENT

Account Number 5238431

Debtor Name(s) <b>BUNZY'S AUTO BODY LTD.</b>  (hereinafter called the "Debtor")	Birth Date	Credit Union Name <b>CROSSTOWN CIVIC</b>  <b>Credit Union Limited</b> (hereinafter called the "Credit Union")
Address <b>52 AUSTIN STREET</b>  <b>WINNIPEG, MB R3B 0Z7</b>		Address <b>171 DONALD ST.</b> <b>WINNIPEG, MB R3C 1M4</b>

## 1. Creation of Security Interest

- (a) The Debtor hereby grants to the Credit Union a continuing security interest in the collateral described in Section 3 hereof.
- (b) The security interest granted hereby is intended to be a general and continuing security for the payment and performance of all obligations, indebtedness and liabilities of the Debtor to the Credit Union whether incurred prior to, at the time of or subsequent to the execution hereof, including extensions or renewals, and all other liabilities of the Debtor to the Credit Union, direct or indirect, wheresoever and howsoever incurred and any ultimate unpaid balance thereof, including, without restricting the generality of the foregoing, future advances to the Debtor under fixed or revolving credits established from time to time; letters of credit whether or not drawn upon, issued by the Credit Union with respect to the Debtor; and the obligation and liability of the Debtor under any contract or guarantee now or hereafter in existence whereby the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Credit Union.

## 2. Perfection of Security Interest

The Debtor agrees that the Credit Union may perfect the security interest created by this agreement by any manner permitted by applicable law and without limiting the generality of the foregoing, the Debtor agrees that, upon possession or re-possession of any collateral consequent upon the Debtor's default, such possession or re-possession will perfect the security interest in that collateral to the extent that the security interest in such collateral was not perfected at the time of such possession or re-possession.

## 3. Collateral

The collateral subject to the security interest created herein is, in the event any sub-clause of this clause 3 is deleted, that personal property of the Debtor, both present and future, not deleted from the sub-clauses of this clause 3. In the event there is no deletion of any sub-clause of this clause 3, the collateral subject to the security interest created herein is the Debtor's undertaking and all its business, property and assets of whatever nature and kind, both present and future, and without restricting the generality of the foregoing, includes:

- (a) **Inventory:** All inventory of whatever kind and wherever situated now owned or hereafter acquired or re-acquired by the Debtor including, without limiting the generality of the foregoing, all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, all livestock and the young thereof after conception and all crops and timber, together with the products and cash and non-cash proceeds thereof (all of which is hereinafter called the "inventory"); and
- (b) **Equipment:** All machinery, equipment and other tangible personal property now owned or hereafter acquired or re-acquired by the Debtor and not included in sub-paragraph (a) above and all accessories installed in or affixed or attached or appertaining to any of the foregoing (all of which is hereinafter called the "equipment"); and
- (c) **Receivables:** All debts, accounts, claims, moneys and choses in action now or hereafter due or owing to or owned by the Debtor (all of which is hereinafter called the "receivables"); and
- (d) **Intangibles:** All intangible property not included in sub-paragraphs (a) and (c) above including, without restricting the generality of the foregoing, all chattel paper, goodwill, patents, trademarks, copyrights, quotas, warehouse receipts, bills of lading, shares, warrants, bonds, debentures, debenture stock, bills, notes, instruments, writings and other documents or industrial property now owned or hereafter acquired or re-acquired by the Debtor (all of which is hereinafter called the "intangibles"); and
- (e) **Scheduled Property:** All property specifically described in Schedule "A" hereto and all accessories installed in or affixed or attached or appertaining to any of the foregoing or any property added to Schedule "A" as agreed between the parties hereto (all of which is hereinafter called the "scheduled property"); and
- (f) **Proceeds:** All personal property in any form or fixtures derived directly or indirectly from any dealing with the collateral and the proceeds therefrom, and includes payment representing indemnity or compensation for loss of or damage to the collateral or proceeds therefrom (all of which is hereinafter called the "proceeds");

The collateral shall not include the last day of any term of years reserved by any lease, verbal or written, or any agreement therefore, now held or hereafter acquired by the Debtor but the Debtor shall stand possessed of the reversion remaining in the Debtor of any leasehold premises, for the time being demised, as aforesaid, upon trust to assign and dispose thereof as the Credit Union shall direct; and upon any sale of the leasehold premises, or any part thereof, the Credit Union for the purpose of vesting the aforesaid reversion of any such term or any renewal thereof and any purchaser or purchasers thereof shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid reversion of any such term or any renewal thereof in the place of the Debtor and divest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligations respecting the same.

## 4. Sales in Ordinary Course of Business

The Debtor shall have no right to sell or dispose of any of the collateral in which a security interest vests in the Credit Union except for a sale in the ordinary course of business upon customary sales terms for value received and then only upon the express condition that on or before delivery to a third party the Debtor shall secure full settlement of the entire purchase price for the collateral so sold in cash, notes, chattel paper or other property in form satisfactory to the Credit Union. Until the Debtor shall have made settlement with the Credit Union of the full amount due to the Credit Union with respect to all such collateral sold or disposed of by the Debtor, the Debtor shall segregate such cash, notes, chattel paper or other property and hold the same in trust for the Credit Union and the Credit Union shall have a security interest therein. The Debtor shall be entitled to transfer such notes or chattel paper free of such trust if at or prior to the time of such transfer the payment due from the Debtor to the Credit Union shall be assured to the satisfaction of the Credit Union.

## 5. Warranties of Debtor

The Debtor hereby warrants to the Credit Union that:

- (a) If it is a corporation, it is duly organized and validly existing under the laws of the jurisdiction of its incorporation, is duly qualified and in good standing in the Province of Manitoba to conduct its business, and the execution, delivery, and performance hereof are within its corporate powers, have been duly authorized and do not contravene, violate, or conflict with any law or the terms of its Articles of Incorporation, or other incorporating documents or amendments and supplements thereto, By-Laws or any indenture or agreement to which it is a party;
- (b) Except for the security interest granted hereby, the Debtor is, or will be, the owner of the collateral free from any adverse liens, security interests or encumbrances, and agrees that it will defend the collateral against all claims and demands of all persons, firms or bodies corporate at any time claiming the same or any interest therein;
- (c) The security interest herein is given to secure the purchase price of the collateral enumerated in Schedule "B" hereto and a purchase money security interest is hereby granted by the Debtor to the Credit Union with respect to the collateral enumerated in Schedule "B" hereto;
- (d) The Debtor's principal place(s) of business is (are) as set out in Schedule "C" hereto and the Credit Union shall be promptly notified of any change thereof;
- (e) The collateral will be located at the locations as set out in Schedule "D" hereto.

## 6. Undertakings of Debtor

The Debtor hereby undertakes to:

- (a) Promptly pay all obligations, indebtedness and liabilities owing by the Debtor to the Credit Union as they become due or are demanded;
- (b) Maintain the collateral in good condition and repair and to provide adequate storage facilities to protect the collateral and not permit the value of the collateral to be impaired, and diligently use and operate the collateral and carry on and conduct its business and undertaking in a proper and efficient manner so as to preserve and protect the collateral and the earnings, incomes, rents, issues and profits thereof;
- (c) Not, without the consent in writing of the Credit Union, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest created by this agreement, save that the Debtor may create a purchase money security interest in collateral hereafter acquired but only if such interest is perfected and notification thereof is given to the Credit Union pursuant to the provisions of the Personal Property Security Act of Manitoba;
- (d) Defend the title to the collateral against all persons, firms or bodies corporate claiming any interest in the collateral or any part thereof;
- (e) Not remove the collateral or any part thereof from the location set out herein, except for sales, leases, rentals or machinery demonstrations in the ordinary course of business, without the written consent of the Credit Union;
- (f) Shall pay all taxes, assessments and levies or charges from any source which may be assessed against the collateral or any part thereof or which may result in a lien against the collateral or any part thereof and shall insure the collateral for loss or destruction by fire, wind storm, and such other perils stipulated by the Credit Union in an amount not less than the full insurable value of the collateral or the amount from time to time hereby secured, whichever is the lesser, with appropriate endorsement to secure the Credit Union as its interest shall appear. In the event the Debtor shall fail to provide adequate insurance when required to do so or to pay any of the said taxes, assessments, levies or charges the Credit Union may, without notice, at its option, but without any obligation or liability so to do, procure insurance and pay taxes or other charges and add said sums to the balance of the debt hereby secured or claim from the Debtor immediate reimbursement of such sums;
- (g) Keep, at the principal place of business above set forth, accurate books and records of the collateral and to furnish at the request of the Credit Union from time to time, in writing, all information requested relating to the collateral or any part thereof and the Credit Union shall be entitled from time to time to inspect the aforesaid collateral and to take temporary custody of and make copies of all documents relating to accounts receivable and for such purposes the Credit Union shall have access to all premises occupied by the Debtor or where the collateral or any of it may be found;
- (h) Furnish such financial and operating statements of the Debtor to the Credit Union as may be requested by the Credit Union;
- (i) Duly observe and conform to all valid requirements of any governmental authority relative to any of the collateral and all covenants, terms and conditions upon or under which the collateral is held;
- (j) Do, make and execute, from time to time at the Credit Union's request, all such financing statements, further assignments, documents, acts, matters and things as may be required by the Credit Union of or with respect to the collateral or any part thereof or as may be required to give effect to these presents, and the Debtor hereby constitutes and appoints the Credit Union or any receiver appointed by the Court or the Credit Union as hereafter set out, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient;
- (k) Give immediate written notice to the Credit Union in the event of a change of the corporate or trade name of the Debtor or any proprietor or partner thereof;
- (l) Pay, on demand of the Credit Union, all reasonable expenses, including solicitor's fees and disbursements and all the remuneration of any receiver appointed hereunder, incurred by the Credit Union in the preparation, perfection and enforcement of this agreement.

## 7. Maintain Security Interest

- (a) The Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by the Credit Union to preserve the collateral or to establish, determine priority of, perfect, continue perfected, terminate and/or enforce the Credit Union's interest in it or rights under this agreement.
- (b) If the Debtor fails to act as required by this agreement the Credit Union is authorized, in the Debtor's name or otherwise, to take any such action including without limitation signing the Debtor's name or paying any amounts so required, and the costs shall be one of the debts and liabilities secured hereunder.

## 8. Default

The Debtor shall be in default under this agreement and the whole or any part of the unpaid balance of any obligations, indebtedness or liabilities secured by this agreement shall become immediately due and payable if any of the following events occurs:

- (a) The Debtor fails to pay when due any of the obligations, indebtedness or liabilities secured by this agreement;
- (b) The Debtor fails to perform any term, condition, provision, covenant or undertaking of this agreement or any other agreement between the Debtor and the Credit Union;
- (c) The Debtor or any of its employees or agents has made or furnished to the Credit Union a statement, representation or warranty to induce the Credit Union to extend credit to the Debtor, under this agreement or otherwise, which is incorrect or false;
- (d) The Debtor ceases or threatens to cease to carry on its business, commits an act of bankruptcy, become insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangements to its creditors;
- (e) Any proceeding is taken with respect to a compromise or arrangement or to have the Debtor declared bankrupt or wound up or to have a receiver appointed of any part of the collateral or if any encumbrancer takes possession of any part thereof;
- (f) Any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or if any distress or analogous process is levied upon the collateral or any part thereof;
- (g) The occurrence of loss, theft, damage or destruction of the collateral not covered by adequate insurance containing a loss payable clause for the protection of the Credit Union as its interests may appear;
- (h) If the Credit Union, in good faith, believes that the prospect of payment or performance hereunder is impaired or that the collateral, or any part thereof, is in danger of being lost, damaged or confiscated.

## 9. Remedies

- (a) The Credit Union shall have all the rights and remedies for default provided by the Personal Property Security Act of Manitoba as well as any other applicable laws and, but so as not to restrict the generality of the foregoing, the following rights and remedies:
  - (i) The Credit Union may appoint by instrument in writing a receiver of all or any part of the collateral and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of such a receiver and any such receiver or receivers so appointed shall have power to take possession of the collateral hereby charged or any part thereof and to carry on and to concur in selling any such collateral, and for such purpose to occupy and use any real or personal property of the Debtor without charge therefor for so long as may be necessary;
  - (ii) The Credit Union may demand that the Debtor assemble the collateral in any convenient place designated by the Credit Union and deliver possession of all or any part of the collateral to the Credit Union;
  - (iii) The Credit Union may take such steps as it considers necessary or desirable to obtain possession of all or any part of the collateral, and to that end the Debtor agrees that the Credit Union may by its servants, agents or receiver at any time during the day or night enter upon lands and premises, and if necessary break into houses, buildings and enclosures wheresoever and whatsoever where the collateral may be found for the purpose of taking possession of and removing the collateral or any part thereof;
  - (iv) The Credit Union or its receiver may seize, collect, realize, borrow money on the security of, release to third parties or otherwise deal with the collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Debtor (except as otherwise required by any applicable law);

- (v) The Credit Union may charge the Debtor for any expense incurred by the Credit Union (including legal, accounting and receiver fees) in protecting, seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the collateral or any part thereof and may add the amount of such sums to the indebtedness of the Debtor;
  - (vi) The Credit Union may elect to retain all or any part of the collateral in satisfaction of the obligations, indebtedness and liabilities of the Debtor to the Credit Union;
  - (vii) The Credit Union or its receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the collateral and other securities as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's or its receiver's right to hold and realize the collateral;
  - (viii) In the event of the Credit Union or its receiver taking possession of the said collateral, or any part thereof in accordance with the provisions of this agreement, the Credit Union or its receiver shall have the right to maintain the same upon the premises on which the collateral may then be situated, and for the purpose of such maintaining shall be entitled to the free use and enjoyment of all necessary buildings, premises, housing, stabling, shelter and accommodation for the proper maintaining, housing and protection of the said collateral, and for its servant or servants, assistant or assistants, and shall be entitled to use and employ any grain, hay or other fodder necessary for the proper feeding of any livestock so taken possession of by the Credit Union or its receiver as aforesaid, and the Debtor covenants and agrees to provide the same without cost or expense to the Credit Union or its receiver until such time as the Credit Union or its receiver shall determine in its discretion to remove, sell or otherwise dispose of the said collateral so taken possession of by it as aforesaid;
  - (ix) To facilitate the realization of the collateral the Credit Union or its receiver may carry on or concur in the carrying on of all or any part of the business of the Debtor and may to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by the Debtor and use all or any of the tools, machinery and equipment of the Debtor for such time as the Credit Union or its receiver sees fit, free of charge, to manufacture or complete the manufacture of any inventory and to pack and ship the finished product, and the Credit Union or its receiver shall not be liable to the Debtor for any neglect in so doing or in respect to any rent, charges, depreciation or damages in connection with such actions;
  - (x) The Credit Union or its receiver may, if it deems it necessary for the proper realization of all or any part of the collateral, pay any encumbrance, lien, claim or charge that may exist or be threatened against the same and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the obligations of the Debtor to the Credit Union as hereby secured, and shall bear interest at the rate currently charged to the Debtor under its obligations, indebtedness and liabilities to the Credit Union at the date of payment thereof by the Credit Union;
  - (xi) All monies collected or received by the Credit Union or its receiver in respect of the collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or may be held unappropriated in a collateral account or in the discretion of the Credit Union may be released to the Debtor, all without prejudice to the Credit Union's claims upon the Debtor.
- (b) The rights and remedies herein conferred upon the Credit Union shall be cumulative and not alternative and shall be in addition to and not in substitution of or in derogation of rights and remedies conferred by the Personal Property Security Act of Manitoba and any other applicable laws.
  - (c) The Debtor hereby covenants, promises and agrees to and with the Credit Union that in the event that the sum of money realized upon any disposition of the collateral referred to herein shall not be sufficient to pay the whole of the obligations, indebtedness and liabilities of the Debtor due to the Credit Union at the time of such disposition, the Debtor shall and will forthwith pay or cause to be paid to the Credit Union an amount equal to the deficiency between the amount of the said obligations, indebtedness and liabilities and the sum of money realized upon the said disposition of the collateral provided for herein (the "deficiency") and the Debtor hereby agrees that the Credit Union may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of the Credit Union in enforcing its remedies hereunder.

#### 10. Receivables

Notwithstanding any other section or provision of this agreement, the Credit Union may collect, realize, sell or otherwise deal with the receivables or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Debtor (except in the case of a sale and then subject to Section 9 hereof). The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the receivables or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Debtor in respect of the receivables shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the receivables or other collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or in the discretion of the Credit Union may be released to the Debtor, all without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize the security interests herein created in the collateral.

#### 11. Waiver

- (a) The Credit Union may permit the Debtor to remedy any default without waiving the default so remedied, and the Credit Union may waive any default without waiving any other subsequent or prior default by the Debtor.
- (b) The Debtor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of further security, releasing security, extinguishment of the security interest as to all or any part of the collateral, the failure to perfect the security or any other act except a release or discharge of the security interest upon the full payment of the obligation secured by this agreement, including charges, expenses, fees, costs and interests.

#### 12. Non-Liability of the Credit Union

The Credit Union shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payments of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of same.

#### 13. Assignment and Waiver of Defenses

The Credit Union or any assignee of this agreement may, without further notice to the Debtor, at any time assign this agreement and the security interest evidenced thereby. The Debtor expressly agrees that with respect to such an assignment, re-assignment or transfer of this agreement the assignee or transferee shall have all of the Credit Union's rights and remedies under this agreement and the Debtor will not assert as a defense, counter-claim, set-off, cross-complaint, or otherwise any claim, known or unknown, which the Debtor now has or hereafter acquires against the Credit Union in any action commenced by an assignee or transferee of this agreement and will pay the obligations, indebtedness and liabilities secured hereby to the assignee or transferee at its place of business as said obligations, indebtedness and liabilities become due.

#### 14. Additional Security Agreements

This agreement is in addition to and not in substitution for any other agreement between the parties creating a security interest in all or part of the collateral, and whether heretofore or hereafter made, and the terms of such other agreement or agreements shall be deemed to be continued unless expressly provided to the contrary in writing and signed by the parties.

#### 15. Attachment

The Debtor warrants and acknowledges as follows: a) That the Debtor and the Credit Union do not intend to postpone the attachment of the security interest created by this agreement; b) That the Debtor and the Credit Union intend the security interest created by this agreement to attach upon the execution of this agreement with respect to all collateral in which the Debtor has any rights at the time of the execution of this agreement; c) The Debtor and the Credit Union intend the security interest created by this agreement to attach to any collateral in which the Debtor acquires any rights subsequent to the execution of this agreement at the time when the Debtor acquires any rights and such collateral; d) That value has been given and; e) That the Debtor has rights in the collateral.

**16. Notices**

Any notice required to be given to the Debtor or the Credit Union may be sent by prepaid registered mail addressed to the appropriate party at the address above shown, or such further or other address as such party may notify to the other in writing from time to time, and if so sent the notice shall be deemed to have been given on the day which it is deposited in the post office. If there exists a labour dispute or other event at the time of mailing of any notice hereunder, or within two business days thereafter, which would affect the normal delivery of the notice by mail, then notice will only be effective hereunder if actually delivered.

**17. Headings**

All headings used in this agreement have been inserted for convenience of reference only and are not intended to assist in the interpretation of any of the provisions of this agreement unless expressly referred to in the provisions of this agreement.

**18. Interpretation**

- (a) **Partial Invalidity:** If any term of this agreement, or any other agreement between us, is found to be invalid, illegal or unenforceable, that term will not apply but the rest of this agreement will continue in full.
- (b) **Governing Law:** This agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba. The Credit Union may enforce its rights and remedies hereunder in such provinces, states, territories and countries as it deems fit, the Debtor hereby for such enforcement purposes attorning to the jurisdiction of such provinces, states, territories and countries.

**19. Joint and Several Obligations**

If more than one Debtor executes this agreement, the obligations shall be both joint and several.

**20. Receipt of Copy**

The Debtor hereby acknowledges receiving a copy of this agreement.

**21. Enurement**

This agreement benefits the Credit Union, its successors and assigns, and binds the Debtor and its (his/her) respective heirs, personal representatives, successors and assigns.

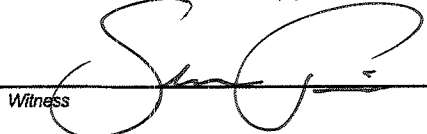
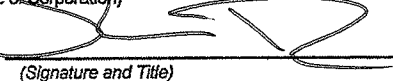
Signed, Sealed and Delivered on (Insert Date) \_\_\_\_\_

IF DEBTOR IS AN INDIVIDUAL: (\*) (\*\*)

	(Name)	
Witness	(Signature of Debtor)	☀
Witness	(Signature of Debtor)	☀

(\*) May be amended and used for sole proprietorships, organizations, etc. (\*\*) Attach a separate Schedule if additional signature lines are required.

IF DEBTOR IS A CORPORATION: (\*\*)

	<b>BUNZY'S AUTO BODY LTD.</b>	
Witness	(Name of Corporation)	
Witness (Complete if Corporation does not have a seal)	Per: 	Affix Corp. Seal
	(Signature and Title)	
	Per: _____	
	(Signature and Title)	

IF DEBTOR IS A PARTNERSHIP: (\*\*)

	(Name of Partnership)	
Witness	Per: _____	☀
Witness	(Signature)	
	Per: _____	☀
	(Signature)	

Signed on behalf of the Credit Union: \_\_\_\_\_ Per: \_\_\_\_\_  
(Signature and Title)

SCHEDULE "A" - The scheduled property referred to in clause 3(e) are:

**52 AUSTIN STREET, WINNIPEG MB**

and all substitutions and replacements therefor and accessions thereto.

SCHEDULE "B" - The collateral in which a purchase money security interest is granted are:

and all substitutions and replacements therefor and accessions thereto.

SCHEDULE "C" - The Debtor's principal place(s) of business is (are):

**52 AUSTIN STREET  
WINNIPEG, MB R3B 0Z7**

SCHEDULE "D" - The collateral will be located at:

**52 AUSTIN STREET, WINNIPEG MB**

## Waiver of Notification of Registration

Debtor Name(s) <b>BUNZY'S AUTO BODY LTD.</b>  <small>(hereinafter called the "Debtor")</small>	Birth Date  	Credit Union Name <b>CROSSTOWN CIVIC</b>  <b>Credit Union Limited</b> <small>(hereinafter called the "Secured Party")</small>
Address <b>52 AUSTIN STREET</b> <b>WINNIPEG, MB R3B 0Z7</b>	Address <b>171 DONALD ST.</b> <b>WINNIPEG, MB R3C 1M4</b>	

The undersigned Debtor (and each person comprising the Debtor) hereby waives any right to obtain a copy of any financing statement registered by the Secured Party with respect to any or all of the security interests claimed by the Secured Party and also waives any right to obtain confirmation or verification of the registration of any such financing statement.

The term "Debtor" shall include every person who has rights in the collateral subject to the security interests claimed by the Secured Party.

Signed, Sealed and Delivered on (Insert Date) \_\_\_\_\_.

IF DEBTOR IS AN INDIVIDUAL: (\*) (\*\*)

	(Name)
<i>Witness</i>	(Signature of Debtor)
<i>Witness</i>	(Signature of Debtor)

(\*) May be amended and used for sole proprietorships, organizations, etc. (\*\*) Attach a separate Schedule if additional signature lines are required.

IF DEBTOR IS A CORPORATION: (\*\*)

	<b>BUNZY'S AUTO BODY LTD.</b> (Name of Corporation)
<i>Witness</i>	Per: (Signature and Title) <span style="float: right;">Affix Corp. Seal</span>
<i>Witness (Complete if Corporation does not have a seal)</i>	Per: _____ (Signature and Title)

IF DEBTOR IS A PARTNERSHIP: (\*\*)

	(Name of Partnership)
<i>Witness</i>	Per: _____ (Signature)
<i>Witness</i>	Per: _____ (Signature)



**GENERAL SECURITY AGREEMENT**

Account Number 5238597

Debtor Name(s) 10021134 MANITOBA LTD  (hereinafter called the "Debtor")	Birth Date	Credit Union Name  <b>CROSSTOWN CIVIC</b>  Credit Union Limited (hereinafter called the "Credit Union")
Address C/O 371 NIAGRARA STREET  WINNIPEG, MB R3N 0V		Address  171 DONALD ST. WINNIPEG, MB R3C 1M4

**1. Creation of Security Interest**

- (a) The Debtor hereby grants to the Credit Union a continuing security interest in the collateral described in Section 3 hereof.
- (b) The security interest granted hereby is intended to be a general and continuing security for the payment and performance of all obligations, indebtedness and liabilities of the Debtor to the Credit Union whether incurred prior to, at the time of or subsequent to the execution hereof, including extensions or renewals, and all other liabilities of the Debtor to the Credit Union, direct or indirect, wheresoever and howsoever incurred and any ultimate unpaid balance thereof, including, without restricting the generality of the foregoing, future advances to the Debtor under fixed or revolving credits established from time to time; letters of credit whether or not drawn upon, issued by the Credit Union with respect to the Debtor; and the obligation and liability of the Debtor under any contract or guarantee now or hereafter in existence whereby the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Credit Union.

**2. Perfection of Security Interest**

The Debtor agrees that the Credit Union may perfect the security interest created by this agreement by any manner permitted by applicable law and without limiting the generality of the foregoing, the Debtor agrees that, upon possession or re-possession of any collateral consequent upon the Debtor's default, such possession or re-possession will perfect the security interest in that collateral to the extent that the security interest in such collateral was not perfected at the time of such possession or re-possession.

**3. Collateral**

The collateral subject to the security interest created herein is, in the event any sub-clause of this clause 3 is deleted, that personal property of the Debtor, both present and future, not deleted from the sub-clauses of this clause 3. In the event there is no deletion of any sub-clause of this clause 3, the collateral subject to the security interest created herein is the Debtor's undertaking and all its business, property and assets of whatever nature and kind, both present and future, and without restricting the generality of the foregoing, includes:

- (a) **Inventory:** All inventory of whatever kind and wherever situated now owned or hereafter acquired or re-acquired by the Debtor including, without limiting the generality of the foregoing, all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, all livestock and the young thereof after conception and all crops and timber, together with the products and cash and non-cash proceeds thereof (all of which is hereinafter called the "inventory"); and
- (b) **Equipment:** All machinery, equipment and other tangible personal property now owned or hereafter acquired or re-acquired by the Debtor and not included in sub-paragraph (a) above and all accessories installed in or affixed or attached or appertaining to any of the foregoing (all of which is hereinafter called the "equipment"); and
- (c) **Receivables:** All debts, accounts, claims, moneys and choses in action now or hereafter due or owing to or owned by the Debtor (all of which is hereinafter called the "receivables"); and
- (d) **Intangibles:** All intangible property not included in sub-paragraphs (a) and (c) above including, without restricting the generality of the foregoing, all chattel paper, goodwill, patents, trademarks, copyrights, quotas, warehouse receipts, bills of lading, shares, warrants, bonds, debentures, debenture stock, bills, notes, instruments, writings and other documents or industrial property now owned or hereafter acquired or re-acquired by the Debtor (all of which is hereinafter called the "intangibles"); and
- (e) **Scheduled Property:** All property specifically described in Schedule "A" hereto and all accessories installed in or affixed or attached or appertaining to any of the foregoing or any property added to Schedule "A" as agreed between the parties hereto (all of which is hereinafter called the "scheduled property"); and
- (f) **Proceeds:** All personal property in any form or fixtures derived directly or indirectly from any dealing with the collateral and the proceeds therefrom, and includes payment representing indemnity or compensation for loss of or damage to the collateral or proceeds therefrom (all of which is hereinafter called the "proceeds");

The collateral shall not include the last day of any term of years reserved by any lease, verbal or written, or any agreement therefore, now held or hereafter acquired by the Debtor but the Debtor shall stand possessed of the reversion remaining in the Debtor of any leasehold premises, for the time being demised, as aforesaid, upon trust to assign and dispose thereof as the Credit Union shall direct; and upon any sale of the leasehold premises, or any part thereof, the Credit Union for the purpose of vesting the aforesaid reversion of any such term or any renewal thereof and any purchaser or purchasers thereof shall be entitled by deed or writing to appoint such purchaser or purchasers or any other person or persons a new trustee or trustees of the aforesaid reversion of any such term or any renewal thereof in the place of the Debtor and divest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligations respecting the same.

**4. Sales in Ordinary Course of Business**

The Debtor shall have no right to sell or dispose of any of the collateral in which a security interest vests in the Credit Union except for a sale in the ordinary course of business upon customary sales terms for value received and then only upon the express condition that on or before delivery to a third party the Debtor shall secure full settlement of the entire purchase price for the collateral so sold in cash, notes, chattel paper or other property in form satisfactory to the Credit Union. Until the Debtor shall have made settlement with the Credit Union of the full amount due to the Credit Union with respect to all such collateral sold or disposed of by the Debtor, the Debtor shall segregate such cash, notes, chattel paper or other property and hold the same in trust for the Credit Union and the Credit Union shall have a security interest therein. The Debtor shall be entitled to transfer such notes or chattel paper free of such trust if at or prior to the time of such transfer the payment due from the Debtor to the Credit Union shall be assured to the satisfaction of the Credit Union.

**5. Warranties of Debtor**

The Debtor hereby warrants to the Credit Union that:

- (a) If it is a corporation, it is duly organized and validly existing under the laws of the jurisdiction of its incorporation, is duly qualified and in good standing in the Province of Manitoba to conduct its business, and the execution, delivery, and performance hereof are within its corporate powers, have been duly authorized and do not contravene, violate, or conflict with any law or the terms of its Articles of Incorporation, or other incorporating documents or amendments and supplements thereto, By-Laws or any indenture or agreement to which it is a party;
- (b) Except for the security interest granted hereby, the Debtor is, or will be, the owner of the collateral free from any adverse liens, security interests or encumbrances, and agrees that it will defend the collateral against all claims and demands of all persons, firms or bodies corporate at any time claiming the same or any interest therein;
- (c) The security interest herein is given to secure the purchase price of the collateral enumerated in Schedule "B" hereto and a purchase money security interest is hereby granted by the Debtor to the Credit Union with respect to the collateral enumerated in Schedule "B" hereto;
- (d) The Debtor's principal place(s) of business is (are) as set out in Schedule "C" hereto and the Credit Union shall be promptly notified of any change thereof;
- (e) The collateral will be located at the locations as set out in Schedule "D" hereto.



## 6. Undertakings of Debtor

The Debtor hereby undertakes to:

- (a) Promptly pay all obligations, indebtedness and liabilities owing by the Debtor to the Credit Union as they become due or are demanded;
- (b) Maintain the collateral in good condition and repair and to provide adequate storage facilities to protect the collateral and not permit the value of the collateral to be impaired, and diligently use and operate the collateral and carry on and conduct its business and undertaking in a proper and efficient manner so as to preserve and protect the collateral and the earnings, incomes, rents, issues and profits thereof;
- (c) Not, without the consent in writing of the Credit Union, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the collateral or any part thereof ranking or purporting to rank in priority to or pari passu with the security interest created by this agreement, save that the Debtor may create a purchase money security interest in collateral hereafter acquired but only if such interest is perfected and notification thereof is given to the Credit Union pursuant to the provisions of the Personal Property Security Act of Manitoba;
- (d) Defend the title to the collateral against all persons, firms or bodies corporate claiming any interest in the collateral or any part thereof;
- (e) Not remove the collateral or any part thereof from the location set out herein, except for sales, leases, rentals or machinery demonstrations in the ordinary course of business, without the written consent of the Credit Union;
- (f) Shall pay all taxes, assessments and levies or charges from any source which may be assessed against the collateral or any part thereof or which may result in a lien against the collateral or any part thereof and shall insure the collateral for loss or destruction by fire, wind storm, and such other perils stipulated by the Credit Union in an amount not less than the full insurable value of the collateral or the amount from time to time hereby secured, whichever is the lesser, with appropriate endorsement to secure the Credit Union as its interest shall appear. In the event the Debtor shall fail to provide adequate insurance when required to do so or to pay any of the said taxes, assessments, levies or charges the Credit Union may, without notice, at its option, but without any obligation or liability so to do, procure insurance and pay taxes or other charges and add said sums to the balance of the debt hereby secured or claim from the Debtor immediate reimbursement of such sums;
- (g) Keep, at the principal place of business above set forth, accurate books and records of the collateral and to furnish at the request of the Credit Union from time to time, in writing, all information requested relating to the collateral or any part thereof and the Credit Union shall be entitled from time to time to inspect the aforesaid collateral and to take temporary custody of and make copies of all documents relating to accounts receivable and for such purposes the Credit Union shall have access to all premises occupied by the Debtor or where the collateral or any of it may be found;
- (h) Furnish such financial and operating statements of the Debtor to the Credit Union as may be requested by the Credit Union;
- (i) Duly observe and conform to all valid requirements of any governmental authority relative to any of the collateral and all covenants, terms and conditions upon or under which the collateral is held;
- (j) Do, make and execute, from time to time at the Credit Union's request, all such financing statements, further assignments, documents, acts, matters and things as may be required by the Credit Union of or with respect to the collateral or any part thereof or as may be required to give effect to these presents, and the Debtor hereby constitutes and appoints the Credit Union or any receiver appointed by the Court or the Credit Union as hereafter set out, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient;
- (k) Give immediate written notice to the Credit Union in the event of a change of the corporate or trade name of the Debtor or any proprietor or partner thereof;
- (l) Pay, on demand of the Credit Union, all reasonable expenses, including solicitor's fees and disbursements and all the remuneration of any receiver appointed hereunder, incurred by the Credit Union in the preparation, perfection and enforcement of this agreement.

## 7. Maintain Security Interest

- (a) The Debtor shall pay all expenses and, upon request, take any action reasonably deemed advisable by the Credit Union to preserve the collateral or to establish, determine priority of, perfect, continue perfected, terminate and/or enforce the Credit Union's interest in it or rights under this agreement.
- (b) If the Debtor fails to act as required by this agreement the Credit Union is authorized, in the Debtor's name or otherwise, to take any such action including without limitation signing the Debtor's name or paying any amounts so required, and the costs shall be one of the debts and liabilities secured hereunder.

## 8. Default

The Debtor shall be in default under this agreement and the whole or any part of the unpaid balance of any obligations, indebtedness or liabilities secured by this agreement shall become immediately due and payable if any of the following events occurs:

- (a) The Debtor fails to pay when due any of the obligations, indebtedness or liabilities secured by this agreement;
- (b) The Debtor fails to perform any term, condition, provision, covenant or undertaking of this agreement or any other agreement between the Debtor and the Credit Union;
- (c) The Debtor or any of its employees or agents has made or furnished to the Credit Union a statement, representation or warranty to induce the Credit Union to extend credit to the Debtor, under this agreement or otherwise, which is incorrect or false;
- (d) The Debtor ceases or threatens to cease to carry on its business, commits an act of bankruptcy, become insolvent, makes an assignment or bulk sale of its assets, or proposes a compromise or arrangements to its creditors;
- (e) Any proceeding is taken with respect to a compromise or arrangement or to have the Debtor declared bankrupt or wound up or to have a receiver appointed of any part of the collateral or if any encumbrancer takes possession of any part thereof;
- (f) Any execution, sequestration or extent or any other process of any court becomes enforceable against the Debtor or if any distress or analogous process is levied upon the collateral or any part thereof;
- (g) The occurrence of loss, theft, damage or destruction of the collateral not covered by adequate insurance containing a loss payable clause for the protection of the Credit Union as its interests may appear;
- (h) If the Credit Union, in good faith, believes that the prospect of payment or performance hereunder is impaired or that the collateral, or any part thereof, is in danger of being lost, damaged or confiscated.

## 9. Remedies

- (a) The Credit Union shall have all the rights and remedies for default provided by the Personal Property Security Act of Manitoba as well as any other applicable laws and, but so as not to restrict the generality of the foregoing, the following rights and remedies:
  - (i) The Credit Union may appoint by instrument in writing a receiver of all or any part of the collateral and remove or replace such receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of such a receiver and any such receiver or receivers so appointed shall have power to take possession of the collateral hereby charged or any part thereof and to carry on and to concur in selling any such collateral, and for such purpose to occupy and use any real or personal property of the Debtor without charge therefor for so long as may be necessary;
  - (ii) The Credit Union may demand that the Debtor assemble the collateral in any convenient place designated by the Credit Union and deliver possession of all or any part of the collateral to the Credit Union;
  - (iii) The Credit Union may take such steps as it considers necessary or desirable to obtain possession of all or any part of the collateral, and to that end the Debtor agrees that the Credit Union may by its servants, agents or receiver at any time during the day or night enter upon lands and premises, and if necessary break into houses, buildings and enclosures wheresoever and whatsoever where the collateral may be found for the purpose of taking possession of and removing the collateral or any part thereof;
  - (iv) The Credit Union or its receiver may seize, collect, realize, borrow money on the security of, release to third parties or otherwise deal with the collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable and without notice to the Debtor (except as otherwise required by any applicable law);

- (v) The Credit Union may charge the Debtor for any expense incurred by the Credit Union (including legal, accounting and receiver fees) in protecting, seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the collateral or any part thereof and may add the amount of such sums to the indebtedness of the Debtor;
  - (vi) The Credit Union may elect to retain all or any part of the collateral in satisfaction of the obligations, indebtedness and liabilities of the Debtor to the Credit Union;
  - (vii) The Credit Union or its receiver may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the collateral to third parties and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the collateral and other securities as the Credit Union may see fit without prejudice to the liability of the Debtor or the Credit Union's or its receiver's right to hold and realize the collateral;
  - (viii) In the event of the Credit Union or its receiver taking possession of the said collateral, or any part thereof in accordance with the provisions of this agreement, the Credit Union or its receiver shall have the right to maintain the same upon the premises on which the collateral may then be situated, and for the purpose of such maintaining shall be entitled to the free use and enjoyment of all necessary buildings, premises, housing, stabling, shelter and accommodation for the proper maintaining, housing and protection of the said collateral, and for its servant or servants, assistant or assistants, and shall be entitled to use and employ any grain, hay or other fodder necessary for the proper feeding of any livestock so taken possession of by the Credit Union or its receiver as aforesaid, and the Debtor covenants and agrees to provide the same without cost or expense to the Credit Union or its receiver until such time as the Credit Union or its receiver shall determine in its discretion to remove, sell or otherwise dispose of the said collateral so taken possession of by it as aforesaid;
  - (ix) To facilitate the realization of the collateral, the Credit Union or its receiver may carry on or concur in the carrying on of all or any part of the business of the Debtor and may to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by the Debtor and use all or any of the tools, machinery and equipment of the Debtor for such time as the Credit Union or its receiver sees fit, free of charge, to manufacture or complete the manufacture of any inventory and to pack and ship the finished product, and the Credit Union or its receiver shall not be liable to the Debtor for any neglect in so doing or in respect to any rent, charges, depreciation or damages in connection with such actions;
  - (x) The Credit Union or its receiver may, if it deems it necessary for the proper realization of all or any part of the collateral, pay any encumbrance, lien, claim or charge that may exist or be threatened against the same and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the obligations of the Debtor to the Credit Union as hereby secured, and shall bear interest at the rate currently charged to the Debtor under its obligations, indebtedness and liabilities to the Credit Union at the date of payment thereof by the Credit Union;
  - (xi) All monies collected or received by the Credit Union or its receiver in respect of the collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or may be held unappropriated in a collateral account or in the discretion of the Credit Union may be released to the Debtor, all without prejudice to the Credit Union's claims upon the Debtor.
- (b) The rights and remedies herein conferred upon the Credit Union shall be cumulative and not alternative and shall be in addition to and not in substitution of or in derogation of rights and remedies conferred by the Personal Property Security Act of Manitoba and any other applicable laws.
  - (c) The Debtor hereby covenants, promises and agrees to and with the Credit Union that in the event that the sum of money realized upon any disposition of the collateral referred to herein shall not be sufficient to pay the whole of the obligations, indebtedness and liabilities of the Debtor due to the Credit Union at the time of such disposition, the Debtor shall and will forthwith pay or cause to be paid to the Credit Union an amount equal to the deficiency between the amount of the said obligations, indebtedness and liabilities and the sum of money realized upon the said disposition of the collateral provided for herein (the "deficiency") and the Debtor hereby agrees that the Credit Union may bring action against the Debtor for payment of the deficiency, notwithstanding any defects or irregularities of the Credit Union in enforcing its remedies hereunder.

#### 10. Receivables

Notwithstanding any other section or provision of this agreement, the Credit Union may collect, realize, sell or otherwise deal with the receivables or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the Debtor (except in the case of a sale and then subject to Section 9 hereof). The Credit Union shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the receivables or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of the same. All moneys collected or received by the Debtor in respect of the receivables shall be received as trustee for the Credit Union and shall be forthwith paid over to the Credit Union. All moneys collected or received by the Credit Union in respect of the receivables or other collateral may be applied on account of such parts of the indebtedness and liability of the Debtor as to the Credit Union seems best or in the discretion of the Credit Union may be released to the Debtor, all without prejudice to the liability of the Debtor or the Credit Union's right to hold and realize the security interests herein created in the collateral.

#### 11. Waiver

- (a) The Credit Union may permit the Debtor to remedy any default without waiving the default so remedied, and the Credit Union may waive any default without waiving any other subsequent or prior default by the Debtor.
- (b) The Debtor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of further security, releasing security, extinguishment of the security interest as to all or any part of the collateral, the failure to perfect the security or any other act except a release or discharge of the security interest upon the full payment of the obligation secured by this agreement, including charges, expenses, fees, costs and interests.

#### 12. Non-Liability of the Credit Union

The Credit Union shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payments of the same or for the purpose of preserving any rights of the Credit Union, the Debtor or any other person, firm or corporation in respect of same.

#### 13. Assignment and Waiver of Defenses

The Credit Union or any assignee of this agreement may, without further notice to the Debtor, at any time assign this agreement and the security interest evidenced thereby. The Debtor expressly agrees that with respect to such an assignment, re-assignment or transfer of this agreement the assignee or transferee shall have all of the Credit Union's rights and remedies under this agreement and the Debtor will not assert as a defense, counter-claim, set-off, cross-complaint, or otherwise any claim, known or unknown, which the Debtor now has or hereafter acquires against the Credit Union in any action commenced by an assignee or transferee of this agreement and will pay the obligations, indebtedness and liabilities secured hereby to the assignee or transferee at its place of business as said obligations, indebtedness and liabilities become due.

#### 14. Additional Security Agreements

This agreement is in addition to and not in substitution for any other agreement between the parties creating a security interest in all or part of the collateral, and whether heretofore or hereafter made, and the terms of such other agreement or agreements shall be deemed to be continued unless expressly provided to the contrary in writing and signed by the parties.

#### 15. Attachment

The Debtor warrants and acknowledges as follows: a) That the Debtor and the Credit Union do not intend to postpone the attachment of the security interest created by this agreement; b) That the Debtor and the Credit Union intend the security interest created by this agreement to attach upon the execution of this agreement with respect to all collateral in which the Debtor has any rights at the time of the execution of this agreement; c) The Debtor and the Credit Union intend the security interest created by this agreement to attach to any collateral in which the Debtor acquires any rights subsequent to the execution of this agreement at the time when the Debtor acquires any rights and such collateral; d) That value has been given and; e) That the Debtor has rights in the collateral.

16. Notices

Any notice required to be given to the Debtor or the Credit Union may be sent by prepaid registered mail addressed to the appropriate party at the address above shown, or such further or other address as such party may notify to the other in writing from time to time, and if so sent the notice shall be deemed to have been given on the day which it is deposited in the post office. If there exists a labour dispute or other event at the time of mailing of any notice hereunder, or within two business days thereafter, which would affect the normal delivery of the notice by mail, then notice will only be effective hereunder if actually delivered.

17. Headings

All headings used in this agreement have been inserted for convenience of reference only and are not intended to assist in the interpretation of any of the provisions of this agreement unless expressly referred to in the provisions of this agreement.

18. Interpretation

- (a) **Partial Invalidity:** If any term of this agreement, or any other agreement between us, is found to be invalid, illegal or unenforceable, that term will not apply but the rest of this agreement will continue in full.
- (b) **Governing Law:** This agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba. The Credit Union may enforce its rights and remedies hereunder in such provinces, states, territories and countries as it deems fit, the Debtor hereby for such enforcement purposes attorning to the jurisdiction of such provinces, states, territories and countries.

19. Joint and Several Obligations

If more than one Debtor executes this agreement, the obligations shall be both joint and several.

20. Receipt of Copy

The Debtor hereby acknowledges receiving a copy of this agreement.

21. Enurement

This agreement benefits the Credit Union, its successors and assigns, and binds the Debtor and its (his/her) respective heirs, personal representatives, successors and assigns.

Signed, Sealed and Delivered on (Insert Date) \_\_\_\_\_

IF DEBTOR IS AN INDIVIDUAL: (\*) (\*\*)

	(Name)	
Witness	(Signature of Debtor)	☼
Witness	(Signature of Debtor)	☼

(\*) May be amended and used for sole proprietorships, organizations, etc. (\*\*) Attach a separate Schedule if additional signature lines are required.

IF DEBTOR IS A CORPORATION: (\*\*)

	10021134 MANITOBA LTD.	
Witness	(Name of Corporation)	
Witness (Complete if Corporation does not have a seal)	Per:  SHANE DAERDEN, PRESIDENT	Affix Corp. Seal
	(Signature and Title)	

IF DEBTOR IS A PARTNERSHIP: (\*\*)

	(Name of Partnership)	
Witness	Per: _____	☼
Witness	(Signature)	
	Per: _____	☼
	(Signature)	
Signed on behalf of the Credit Union:	Per: _____	
	(Signature and Title)	

SCHEDULE "A" - The scheduled property referred to in clause 3(e) are:

and all substitutions and replacements therefor and accessions thereto.

SCHEDULE "B" - The collateral in which a purchase money security interest is granted are:

and all substitutions and replacements therefor and accessions thereto.

SCHEDULE "C" - The Debtor's principal place(s) of business is (are):

C/O 371 NIAGRARA STREET  
WINNIPEG, MB R3N 0V

SCHEDULE "D" - The collateral will be located at:

## Waiver of Notification of Registration

Debtor Name(s) <b>10021134 MANITOBA LTD</b>  <small>(hereinafter called the "Debtor")</small>	Birth Date  	Credit Union Name <b>CROSTOWN CIVIC</b>  <b>Credit Union Limited</b> <small>(hereinafter called the "Secured Party")</small>
Address <b>C/O 371 NIAGRARA STREET</b> <b>WINNIPEG, MB R3N 0V</b>	Address <b>171 DONALD ST.</b> <b>WINNIPEG, MB R3C 1M4</b>	

The undersigned Debtor (and each person comprising the Debtor) hereby waives any right to obtain a copy of any financing statement registered by the Secured Party with respect to any or all of the security interests claimed by the Secured Party and also waives any right to obtain confirmation or verification of the registration of any such financing statement.

The term "Debtor" shall include every person who has rights in the collateral subject to the security interests claimed by the Secured Party.

Signed, Sealed and Delivered on (Insert Date) \_\_\_\_\_.

IF DEBTOR IS AN INDIVIDUAL: (\*) (\*\*)

	(Name)
<i>Witness</i>	(Signature of Debtor)
<i>Witness</i>	(Signature of Debtor)

(\*) May be amended and used for sole proprietorships, organizations, etc. (\*\*) Attach a separate Schedule if additional signature lines are required.

IF DEBTOR IS A CORPORATION: (\*\*)

	10021134 MANITOBA LTD.
<i>Witness</i>	(Name of Corporation)
	Per:
<i>Witness (Complete if Corporation does not have a seal)</i>	(Signature and Title) SHANE DAERDEN, PRESIDENT
	Per: _____
	(Signature and Title)

IF DEBTOR IS A PARTNERSHIP: (\*\*)

	(Name of Partnership)
<i>Witness</i>	Per: _____
<i>Witness</i>	(Signature)
	Per: _____
	(Signature)



# GUARANTEE

<b>Guarantor Name</b> SEE ATTACHED SCHEDULE A	<b>Birth Date</b> _____	<b>Address of Residence</b> _____
(the "Guarantor")		
<b>Credit Union Name</b> CROSSTOWN CIVIC Credit Union Limited	<b>Principal Debtor Name</b> 10021134 MANITOBA LTD	
<b>Address</b> 171 DONALD STREET WINNIPEG, MANITOBA R3C 1M4	<b>Name</b> 371 NIAGARA STREET <b>Address</b> WINNIPEG MB R3N 0V3	
(the "Credit Union")	(the "Member")	

THIS GUARANTEE in favour of the Credit Union is made as of the "Guarantee Date" identified on the reverse side hereof. Whenever there is reference to the Guarantor or the Member, this will include a single guarantor or member, or, where there are more, shall mean and include all and any one or more of the guarantors or members, as the case may be.

In return for a) the Credit Union dealing with or continuing to deal with the Member; and b) loans previously made or to be made to the Member by the Credit Union, the Guarantor guarantees the debts of the Member to the Credit Union on the following conditions:

1. **Nature of Debts Guaranteed**  
This Guarantee applies to all debts, liabilities or monies owed by the Member including interest to the Credit Union regardless of when or how such liability may arise. In addition to the liabilities of the Member, this Guarantee applies to all costs and expenses incurred by the Credit Union in respect of the liabilities or any security for them.
2. **Nature of Guarantee**  
This Guarantee is unconditional and irrevocable, will be a continuing guarantee and will remain in effect until the Member is no longer indebted to the Credit Union nor liable to it in any way. If this Guarantee is signed by more than one guarantor, their obligations under this Guarantee are:

check off applicable choice, if only one guarantor, leave blank  several (each Guarantor is individually responsible for the sum set out in paragraph 3)  
- or -  
 joint and several (the Guarantors are collectively responsible for the sum set out in paragraph 3 and any one Guarantor may be required to pay the entire amount guaranteed)

3. **Amount of Liabilities Guaranteed**  
The obligation of the Guarantor under this Guarantee is  
 limited to the sum of \$598,000.00;  
 - or -  
 limited to the sum of \$ \_\_\_\_\_ in the aggregate, the whole of which amount is the joint and several obligation of all who have signed as Guarantor;  
 - or -  
 limited to the sum of \$ \_\_\_\_\_ with respect to each who has signed as Guarantor, it being acknowledged that the aggregate of the amounts guaranteed is \$ \_\_\_\_\_;  
 - or -  
 unlimited.

In addition to the principal amount set out above, the Guarantor also agrees to pay interest to the Credit Union on all amounts owing under this Guarantee, payable from the date demand is made on the Guarantor, calculated as follows:

(a) ~~Floating Rate Of Interest: at the rate of interest equal to the CCCU PRIME Rate of interest of the Credit Union (hereinafter referred to as the "Variable Loan Rate") declared from time to time, plus XXX PERCENT (XXX %) per annum. The Variable Loan Rate is subject to fluctuation without notice and is the lending rate of interest expressed as a rate per annum established from time to time by the Board of Directors of the Credit Union as its Variable Loan Rate.~~  
 COMPLETE ONLY At the date of execution of this Guarantee the Variable Loan Rate is XXX PERCENT(XXX%)  
 (a) or (b) per annum and therefore, the interest rate that would initially be charged on amounts demanded pursuant to this Guarantee would be XXX PERCENT (XXX %) per annum.

(b) Fixed Rate Of Interest: at EIGHTEEN PERCENT ( 18.00 %) per annum.

4. **Demand on Guarantee**  
At any time after the bankruptcy or insolvency of the Member or default of the obligations of the Member to the Credit Union, the Credit Union may, at its option, make demand on the Guarantor for payment of all or any part of the Member's obligations to the Credit Union (subject to any limits contained in paragraph 3). Such demand shall be in writing and the Guarantor agrees to make payment immediately and to pay interest as set out in paragraph 3 until payment is made in full.
5. **Application of Payments by Credit Union**  
The Credit Union may apply any payment received from the Guarantor against any part of the Member's obligations, as the Credit Union chooses. If the payment by the Guarantor is enough to pay all of the Member's obligations to the Credit Union, the Credit Union will either discharge any security held from the Member or transfer it to the Guarantor, as the Guarantor may decide. Until the Member's obligations to the Credit Union are paid in full, the Guarantor will not be entitled to claim any right or benefit which the Credit Union may have against the Member nor will the Guarantor request a discharge or transfer of security available to the Credit Union.
6. **Continuing Effect of Guarantee**  
The Guarantor agrees that this Guarantee and the Guarantor's obligations under it will continue and will not be affected in any way by any one or more of the following actions or events:
  - (a) the closing of the Member's account with the Credit Union;
  - (b) the receipt of payments on account of the Member's debts to the Credit Union;
  - (c) the release of any security for the Guarantor's or the Member's obligations;
  - (d) the release of any other guarantor;
  - (e) the death or loss of capacity of the Member or the Guarantor;
  - (f) the change of the Member's name, or if the Member is a partnership, society or corporation, any change in membership, ownership, internal structure or organization of the Member;
  - (g) the bankruptcy of the Member or any other guarantor;
  - (h) the failure of the Credit Union to take any steps to collect from the Member, to realize on any securities provided by the Member or to pursue collection from any trustee in bankruptcy of the Member;
  - (i) the failure of the Credit Union, on a sale of any collateral pledged as security for the Member's obligations, to realize enough proceeds to pay the Member's obligations to the Credit Union in full;
  - (j) the failure of the Credit Union to give notice to the Guarantor of any dealing between the Credit Union and the Member or any dealing with any collateral pledged as security for the Guarantor's or the Member's obligations;

- (k) any agreement between the Member and the Credit Union to change or extend the terms of repayment of the Member's debt to the Credit Union or to add to, change or modify any collateral pledged as security for the Member's debt;
- (l) any agreement or decision by the Credit Union not to take steps to collect the monies owing from the Member or to take no action on any collateral pledged as security to the Credit Union; or
- (m) a finding by a Court that the Credit Union may not be able to enforce payment of interest by the Member.

**7. Waiver of Formalities**

The Guarantor agrees that the Credit Union is not obliged to:

- (a) give notice of the existence or creation of a debt owed by the Member;
- (b) give notice of presentment, demand, dishonour, protest or other notices relating to non-performance by the Member;
- (c) use diligence in collecting any debt from the Member; or
- (d) protect or realize on any collateral pledged as security for any debt owing by the Member.

**8. Postponement and Assignment**

The Guarantor agrees that any debts or amounts owing by the Member to the Guarantor are assigned to the Credit Union and postponed in favour of the debts or amounts owing by the Member to the Credit Union and the Credit Union will have a security interest in such debts or amounts owing by the Member to the Guarantor. All money received by the Guarantor from the Member will be received in trust for the Credit Union and will be paid to the Credit Union on demand. If and to the extent approved in writing by the Credit Union, the Member may pay to the Guarantor amounts on account of the Member's debts or liabilities to the Guarantor. This postponement and assignment is independent of the Guarantee and will remain in force until all amounts owing by the Member to the Credit Union have been paid in full. The Guarantor agrees not to claim any set-off or cross claim against the Member in respect of any liability of the Member to the Guarantor, nor to claim or prove in the bankruptcy or insolvency of the Member in competition with the Credit Union.

**9. Notices**

- (a) Wherever notice is required to be given, it may be given by personal delivery or mailed by prepaid ordinary mail to the Guarantor at the Guarantor's last known address as shown on the Credit Union's records.
- (b) The Guarantor may give notice to the Credit Union by personal delivery to the manager of the branch office with which the Member deals, or by prepaid ordinary mail addressed to the address shown on page 1.
- (c) Notice is deemed given on the date of personal delivery or on the 5th day after the date of mailing.

**10. General Provisions**

- (a) This Guarantee and all matters arising from it are governed by the laws of Manitoba.
- (b) If any part of this Guarantee is found to be unenforceable or invalid by a Court having jurisdiction over it, that part will be deemed to have been severed but the rest of the Guarantee will continue to be in effect.
- (c) The headings in this Guarantee are included for convenience only and are not to be considered in the interpretation of this Guarantee.
- (d) This Guarantee will remain in full force and effect until a written amendment to this Guarantee is signed or until all amounts owing by the Member have been paid in full and a release of the Guarantor has been provided by the Credit Union. Any amendment or release that is not in writing will have no effect. There are no representations or promises relating to this Guarantee apart from the written terms of this Guarantee.
- (e) This Guarantee will be binding on the Guarantor's heirs, legal representatives, successors and assigns.
- (f) This Guarantee will be for the benefit of the Credit Union and its successors and assigns.
- (g) This Guarantee is in addition to and does not replace any other existing or future guarantees of the Member's debts or collateral pledged as security held by the Credit Union.

**11. Privacy Acknowledgement**

The Guarantor acknowledges that the Credit Union has adopted policies to protect the Guarantor's privacy and that particulars may be obtained on request. Until the Guarantor withdraws consent, the Guarantor hereby consents to the use (by the Credit Union and any of its affiliates or other members of the Canadian Credit Union system) of information provided by or collected about the Guarantor for any use related to the provision to the Member or the Guarantor (whether currently provided or prospective) of financial services by the Credit Union or any of the Credit Union's affiliates or other members of the Canadian Credit Union system.

If the Guarantor wishes to limit consent, the Guarantor will attach a Privacy Exception Form and check off this box.

The Guarantor hereby consents to the conduct of a personal investigation by or for the Credit Union including the use of the Guarantor's Social Insurance Number. The personal investigation may involve enquiries from any credit bureau, as well as any current or former financial institution, lender, landlord or employer. This is to allow the Credit Union to assess the Guarantor's creditworthiness now and in the future. The information to be collected relates to the Guarantor's borrowing and repayment history and performance. The Credit Union is authorized to disclose financial information to other financial institutions, lenders or credit bureaus, on direct enquiry by any of them to allow ongoing assessment of the Guarantor's creditworthiness now and in the future and the Guarantor agrees to indemnify the Credit Union from any claims arising from any such disclosure by the Credit Union. This consent, authorization and indemnity shall continue in effect so long as this Guarantee continues.

THIS GUARANTEE is signed by the Guarantor on the Guarantee Date.

Signed, sealed and delivered on \_\_\_\_\_  
(The Guarantee Date)

IF GUARANTOR IS AN INDIVIDUAL: (\*)

SEE ATTACHED SCHEDULE A

\_\_\_\_\_  
[Name(s)]

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Signature)

(\*) Attach a separate Schedule if additional signature lines are required.

IF GUARANTOR IS A CORPORATION: (\*)

\_\_\_\_\_  
(Name of Corporation)

\_\_\_\_\_  
Witness

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

\_\_\_\_\_  
(Signature and Title)

Affix

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

\_\_\_\_\_  
(Signature and Title)

Seal

\_\_\_\_\_  
Witness (Complete if Corporation does not have a seal)

IF GUARANTOR IS A PARTNERSHIP: (\*)

\_\_\_\_\_  
(Name of Partnership)

\_\_\_\_\_  
Witness

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

\_\_\_\_\_  
(Signature)

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

\_\_\_\_\_  
(Signature)

NOTE: If the Guarantor is an incorporated company, its corporate seal should be affixed opposite the signature(s) of its signing officer(s) or if incorporated company does not have a corporate seal, a completed Declaration (CCSM 50.235) must be on file and the corporate signatures must be witnessed by the credit union.

## Signatures of Guarantors (Schedule A)

Amount: \$598,000.00 Joint and Several

Date of Guarantee: \_\_\_\_\_

Name

Birthdate

Address

Shane Eric Carl Daerden

July 10, 1980

371 Niagara Street, Winnipeg MB R3N 0V3

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Witness

Witness

Witness

Witness

Shane Eric Carl Daerden





# GUARANTEE

<b>Guarantor Name</b> _____	<b>Birth Date</b> _____	<b>Address of Residence</b> _____
(the "Guarantor")		
<b>Credit Union Name</b> <u>CROSSTOWN CIVIC Credit Union Limited</u>  <b>Address</b> <u>171 DONALD STREET</u> <u>WINNIPEG, MANITOBA R3C 1M4</u>	<b>Principal Debtor Name</b> <u>10021134 MANITOBA LTD</u> <b>Name</b> <u>371 NIAGARA STREET</u> <b>Address</b> <u>WINNIPEG MB R3N 0V3</u>	
(the "Credit Union")	(the "Member")	

THIS GUARANTEE in favour of the Credit Union is made as of the "Guarantee Date" identified on the reverse side hereof. Whenever there is reference to the Guarantor or the Member, this will include a single guarantor or member, or, where there are more, shall mean and include all and any one or more of the guarantors or members, as the case may be.

In return for a) the Credit Union dealing with or continuing to deal with the Member; and b) loans previously made or to be made to the Member by the Credit Union, the Guarantor guarantees the debts of the Member to the Credit Union on the following conditions:

**1. Nature of Debts Guaranteed**

This Guarantee applies to all debts, liabilities or monies owed by the Member including interest to the Credit Union regardless of when or how such liability may arise. In addition to the liabilities of the Member, this Guarantee applies to all costs and expenses incurred by the Credit Union in respect of the liabilities or any security for them.

**2. Nature of Guarantee**

This Guarantee is unconditional and irrevocable, will be a continuing guarantee and will remain in effect until the Member is no longer indebted to the Credit Union nor liable to it in any way. If this Guarantee is signed by more than one guarantor, their obligations under this Guarantee are:

- check off applicable choice, if only one guarantor, leave blank  several (each Guarantor is individually responsible for the sum set out in paragraph 3)
- or -  joint and several (the Guarantors are collectively responsible for the sum set out in paragraph 3 and any one Guarantor may be required to pay the entire amount guaranteed)

**3. Amount of Liabilities Guaranteed**

The obligation of the Guarantor under this Guarantee is

- check off or mark "X" in applicable box  limited to the sum of \$598,000.00 ;
- or -  limited to the sum of \$ \_\_\_\_\_ in the aggregate, the whole of which amount is the joint and several obligation of all who have signed as Guarantor;
- or -  limited to the sum of \$ \_\_\_\_\_ with respect to each who has signed as Guarantor, it being acknowledged that the aggregate of the amounts guaranteed is \$ \_\_\_\_\_;
- or -  unlimited.

In addition to the principal amount set out above, the Guarantor also agrees to pay interest to the Credit Union on all amounts owing under this Guarantee, payable from the date demand is made on the Guarantor, calculated as follows:

- (a) Floating Rate Of Interest:** at the rate of interest equal to the CCCU PRIME Rate of interest of the Credit Union (hereinafter referred to as the "Variable Loan Rate") declared from time to time, plus XXX PERCENT (XXX%) per annum. The Variable Loan Rate is subject to fluctuation without notice and is the lending rate of interest expressed as a rate per annum established from time to time by the Board of Directors of the Credit Union as its Variable Loan Rate.
- COMPLETE ONLY (a) or (b) At the date of execution of this Guarantee the Variable Loan Rate is XXX PERCENT (XXX%) per annum and therefore, the interest rate that would initially be charged on amounts demanded pursuant to this Guarantee would be XXX PERCENT (XXX%) per annum.
- (b) Fixed Rate Of Interest:** at EIGHTEEN PERCENT (18.00%) per annum.

**4. Demand on Guarantee**

At any time after the bankruptcy or insolvency of the Member or default of the obligations of the Member to the Credit Union, the Credit Union may, at its option, make demand on the Guarantor for payment of all or any part of the Member's obligations to the Credit Union (subject to any limits contained in paragraph 3). Such demand shall be in writing and the Guarantor agrees to make payment immediately and to pay interest as set out in paragraph 3 until payment is made in full.

**5. Application of Payments by Credit Union**

The Credit Union may apply any payment received from the Guarantor against any part of the Member's obligations, as the Credit Union chooses. If the payment by the Guarantor is enough to pay all of the Member's obligations to the Credit Union, the Credit Union will either discharge any security held from the Member or transfer it to the Guarantor, as the Guarantor may decide. Until the Member's obligations to the Credit Union are paid in full, the Guarantor will not be entitled to claim any right or benefit which the Credit Union may have against the Member nor will the Guarantor request a discharge or transfer of security available to the Credit Union.

**6. Continuing Effect of Guarantee**

The Guarantor agrees that this Guarantee and the Guarantor's obligations under it will continue and will not be affected in any way by any one or more of the following actions or events:

- (a) the closing of the Member's account with the Credit Union;
- (b) the receipt of payments on account of the Member's debts to the Credit Union;
- (c) the release of any security for the Guarantor's or the Member's obligations;
- (d) the release of any other guarantor;
- (e) the death or loss of capacity of the Member or the Guarantor;
- (f) the change of the Member's name, or if the Member is a partnership, society or corporation, any change in membership, ownership, internal structure or organization of the Member;
- (g) the bankruptcy of the Member or any other guarantor;
- (h) the failure of the Credit Union to take any steps to collect from the Member, to realize on any securities provided by the Member or to pursue collection from any trustee in bankruptcy of the Member;
- (i) the failure of the Credit Union, on a sale of any collateral pledged as security for the Member's obligations, to realize enough proceeds to pay the Member's obligations to the Credit Union in full;
- (j) the failure of the Credit Union to give notice to the Guarantor of any dealing between the Credit Union and the Member or any dealing with any collateral pledged as security for the Guarantor's or the Member's obligations;

- (k) any agreement between the Member and the Credit Union to change or extend the terms of repayment of the Member's debt to the Credit Union or to add to, change or modify any collateral pledged as security for the Member's debt;
- (l) any agreement or decision by the Credit Union not to take steps to collect the monies owing from the Member or to take no action on any collateral pledged as security to the Credit Union; or
- (m) a finding by a Court that the Credit Union may not be able to enforce payment of interest by the Member.

**7. Waiver of Formalities**

The Guarantor agrees that the Credit Union is not obliged to:

- (a) give notice of the existence or creation of a debt owed by the Member;
- (b) give notice of presentment, demand, dishonour, protest or other notices relating to non-performance by the Member;
- (c) use diligence in collecting any debt from the Member; or
- (d) protect or realize on any collateral pledged as security for any debt owing by the Member.

**8. Postponement and Assignment**

The Guarantor agrees that any debts or amounts owing by the Member to the Guarantor are assigned to the Credit Union and postponed in favour of the debts or amounts owing by the Member to the Credit Union and the Credit Union will have a security interest in such debts or amounts owing by the Member to the Guarantor. All money received by the Guarantor from the Member will be received in trust for the Credit Union and will be paid to the Credit Union on demand. If and to the extent approved in writing by the Credit Union, the Member may pay to the Guarantor amounts on account of the Member's debts or liabilities to the Guarantor. This postponement and assignment is independent of the Guarantee and will remain in force until all amounts owing by the Member to the Credit Union have been paid in full. The Guarantor agrees not to claim any set-off or cross claim against the Member in respect of any liability of the Member to the Guarantor, nor to claim or prove in the bankruptcy or insolvency of the Member in competition with the Credit Union.

**9. Notices**

- (a) Wherever notice is required to be given, it may be given by personal delivery or mailed by prepaid ordinary mail to the Guarantor at the Guarantor's last known address as shown on the Credit Union's records.
- (b) The Guarantor may give notice to the Credit Union by personal delivery to the manager of the branch office with which the Member deals, or by prepaid ordinary mail addressed to the address shown on page 1.
- (c) Notice is deemed given on the date of personal delivery or on the 5th day after the date of mailing.

**10. General Provisions**

- (a) This Guarantee and all matters arising from it are governed by the laws of Manitoba.
- (b) If any part of this Guarantee is found to be unenforceable or invalid by a Court having jurisdiction over it, that part will be deemed to have been severed but the rest of the Guarantee will continue to be in effect.
- (c) The headings in this Guarantee are included for convenience only and are not to be considered in the interpretation of this Guarantee.
- (d) This Guarantee will remain in full force and effect until a written amendment to this Guarantee is signed or until all amounts owing by the Member have been paid in full and a release of the Guarantor has been provided by the Credit Union. Any amendment or release that is not in writing will have no effect. There are no representations or promises relating to this Guarantee apart from the written terms of this Guarantee.
- (e) This Guarantee will be binding on the Guarantor's heirs, legal representatives, successors and assigns.
- (f) This Guarantee will be for the benefit of the Credit Union and its successors and assigns.
- (g) This Guarantee is in addition to and does not replace any other existing or future guarantees of the Member's debts or collateral pledged as security held by the Credit Union.

**11. Privacy Acknowledgement**

The Guarantor acknowledges that the Credit Union has adopted policies to protect the Guarantor's privacy and that particulars may be obtained on request. Until the Guarantor withdraws consent, the Guarantor hereby consents to the use (by the Credit Union and any of its affiliates or other members of the Canadian Credit Union system) of information provided by or collected about the Guarantor for any use related to the provision to the Member or the Guarantor (whether currently provided or prospective) of financial services by the Credit Union or any of the Credit Union's affiliates or other members of the Canadian Credit Union system.


If the Guarantor wishes to limit consent, the Guarantor will attach a Privacy Exception Form and check off this box.

The Guarantor hereby consents to the conduct of a personal investigation by or for the Credit Union including the use of the Guarantor's Social Insurance Number. The personal investigation may involve enquiries from any credit bureau, as well as any current or former financial institution, lender, landlord or employer. This is to allow the Credit Union to assess the Guarantor's creditworthiness now and in the future. The information to be collected relates to the Guarantor's borrowing and repayment history and performance. The Credit Union is authorized to disclose financial information to other financial institutions, lenders or credit bureaus, on direct enquiry by any of them to allow ongoing assessment of the Guarantor's creditworthiness now and in the future and the Guarantor agrees to indemnify the Credit Union from any claims arising from any such disclosure by the Credit Union. This consent, authorization and indemnity shall continue in effect so long as this Guarantee continues.

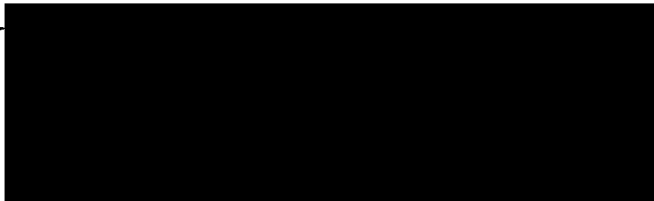
THIS GUARANTEE is signed by the Guarantor on the Guarantee Date.

Signed, sealed and delivered on \_\_\_\_\_  
(The Guarantee Date)

IF GUARANTOR IS AN INDIVIDUAL: (\*)

  
\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
(Signature)

(\*) Attach a separate Schedule if additional signature lines are required.

IF GUARANTOR IS A CORPORATION: (\*)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness (Complete if Corporation does not have a seal)

\_\_\_\_\_  
(Name of Corporation)

Per: \_\_\_\_\_  
(Signature and Title)

Per: \_\_\_\_\_  
(Signature and Title)

Affix  
Corp.  
Seal

IF GUARANTOR IS A PARTNERSHIP: (\*)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Name of Partnership)

Per: \_\_\_\_\_  
(Signature)

Per: \_\_\_\_\_  
(Signature)


NOTE: If the Guarantor is an incorporated company, its corporate seal should be affixed opposite the signature(s) of its signing officer(s) or if incorporated company does not have a corporate seal, a completed Declaration (CCSM 50.235) must be on file and the corporate signatures must be witnessed by the credit union.

# GUARANTEE

Guarantor Name _____ _____ _____	Birth Date _____ _____ _____	Address of Residence _____ _____ _____
(the "Guarantor")		
Credit Union Name _____ <b>CROSSTOWN CIVIC Credit Union Limited</b> _____ 171 DONALD STREET _____ Address _____ WINNIPEG, MANITOBA R3C 1M4 _____ (the "Credit Union")	Principal Debtor Name _____ 10021134 MANITOBA LTD _____ Name _____ 371 NIAGARA STREET _____ Address _____ WINNIPEG MB R3N 0V3 _____ (the "Member")	

THIS GUARANTEE in favour of the Credit Union is made as of the "Guarantee Date" identified on the reverse side hereof. Whenever there is reference to the Guarantor or the Member, this will include a single guarantor or member, or, where there are more, shall mean and include all and any one or more of the guarantors or members, as the case may be.

In return for a) the Credit Union dealing with or continuing to deal with the Member; and b) loans previously made or to be made to the Member by the Credit Union, the Guarantor guarantees the debts of the Member to the Credit Union on the following conditions:

1. **Nature of Debts Guaranteed**  
 This Guarantee applies to all debts, liabilities or monies owed by the Member including interest to the Credit Union regardless of when or how such liability may arise. In addition to the liabilities of the Member, this Guarantee applies to all costs and expenses incurred by the Credit Union in respect of the liabilities or any security for them.

2. **Nature of Guarantee**  
 This Guarantee is unconditional and irrevocable, will be a continuing guarantee and will remain in effect until the Member is no longer indebted to the Credit Union nor liable to it in any way. If this Guarantee is signed by more than one guarantor, their obligations under this Guarantee are:

- check off applicable choice, if only one guarantor, leave blank*
- several (each Guarantor is individually responsible for the sum set out in paragraph 3)  
 - or -  
 joint and several (the Guarantors are collectively responsible for the sum set out in paragraph 3 and any one Guarantor may be required to pay the entire amount guaranteed)

3. **Amount of Liabilities Guaranteed**  
 The obligation of the Guarantor under this Guarantee is

*check off or mark "X" in applicable box*

limited to the sum of \$598,000.00 ;  
 - or -  
 limited to the sum of \$ \_\_\_\_\_ in the aggregate, the whole of which amount is the joint and several obligation of all who have signed as Guarantor;  
 - or -  
 limited to the sum of \$ \_\_\_\_\_ with respect to each who has signed as Guarantor, it being acknowledged that the aggregate of the amounts guaranteed is \$ \_\_\_\_\_;  
 - or -  
 unlimited.

In addition to the principal amount set out above, the Guarantor also agrees to pay interest to the Credit Union on all amounts owing under this Guarantee, payable from the date demand is made on the Guarantor, calculated as follows:

(a) ~~Floating Rate Of Interest: at the rate of interest equal to the CCCU PRIME Rate of interest of the Credit Union (hereinafter referred to as the "Variable Loan Rate") declared from time to time, plus XXX PERCENT (XXX %) per annum. The Variable Loan Rate is subject to fluctuation without notice and is the lending rate of interest expressed as a rate per annum established from time to time by the Board of Directors of the Credit Union as its Variable Loan Rate.~~

COMPLETE ONLY (a) or (b) At the date of execution of this Guarantee the Variable Loan Rate is XXX PERCENT (XXX%) per annum and therefore, the interest rate that would initially be charged on amounts demanded pursuant to this Guarantee would be XXX PERCENT (XXX %) per annum.

(b) Fixed Rate Of Interest: at EIGHTEEN PERCENT (18.00 %) per annum.

4. **Demand on Guarantee**  
 At any time after the bankruptcy or insolvency of the Member or default of the obligations of the Member to the Credit Union, the Credit Union may, at its option, make demand on the Guarantor for payment of all or any part of the Member's obligations to the Credit Union (subject to any limits contained in paragraph 3). Such demand shall be in writing and the Guarantor agrees to make payment immediately and to pay interest as set out in paragraph 3 until payment is made in full.

5. **Application of Payments by Credit Union**  
 The Credit Union may apply any payment received from the Guarantor against any part of the Member's obligations, as the Credit Union chooses. If the payment by the Guarantor is enough to pay all of the Member's obligations to the Credit Union, the Credit Union will either discharge any security held from the Member or transfer it to the Guarantor, as the Guarantor may decide. Until the Member's obligations to the Credit Union are paid in full, the Guarantor will not be entitled to claim any right or benefit which the Credit Union may have against the Member nor will the Guarantor request a discharge or transfer of security available to the Credit Union.

6. **Continuing Effect of Guarantee**  
 The Guarantor agrees that this Guarantee and the Guarantor's obligations under it will continue and will not be affected in any way by any one or more of the following actions or events:

- (a) the closing of the Member's account with the Credit Union;
- (b) the receipt of payments on account of the Member's debts to the Credit Union;
- (c) the release of any security for the Guarantor's or the Member's obligations;
- (d) the release of any other guarantor;
- (e) the death or loss of capacity of the Member or the Guarantor;
- (f) the change of the Member's name, or if the Member is a partnership, society or corporation, any change in membership, ownership, internal structure or organization of the Member;
- (g) the bankruptcy of the Member or any other guarantor;
- (h) the failure of the Credit Union to take any steps to collect from the Member, to realize on any securities provided by the Member or to pursue collection from any trustee in bankruptcy of the Member;
- (i) the failure of the Credit Union, on a sale of any collateral pledged as security for the Member's obligations, to realize enough proceeds to pay the Member's obligations to the Credit Union in full;
- (j) the failure of the Credit Union to give notice to the Guarantor of any dealing between the Credit Union and the Member or any dealing with any collateral pledged as security for the Guarantor's or the Member's obligations;

- (k) any agreement between the Member and the Credit Union to change or extend the terms of repayment of the Member's debt to the Credit Union or to add to, change or modify any collateral pledged as security for the Member's debt;
- (l) any agreement or decision by the Credit Union not to take steps to collect the monies owing from the Member or to take no action on any collateral pledged as security to the Credit Union; or
- (m) a finding by a Court that the Credit Union may not be able to enforce payment of interest by the Member.

**7. Waiver of Formalities**

The Guarantor agrees that the Credit Union is not obliged to:

- (a) give notice of the existence or creation of a debt owed by the Member;
- (b) give notice of presentment, demand, dishonour, protest or other notices relating to non-performance by the Member;
- (c) use diligence in collecting any debt from the Member; or
- (d) protect or realize on any collateral pledged as security for any debt owing by the Member.

**8. Postponement and Assignment**

The Guarantor agrees that any debts or amounts owing by the Member to the Guarantor are assigned to the Credit Union and postponed in favour of the debts or amounts owing by the Member to the Credit Union and the Credit Union will have a security interest in such debts or amounts owing by the Member to the Guarantor. All money received by the Guarantor from the Member will be received in trust for the Credit Union and will be paid to the Credit Union on demand. If and to the extent approved in writing by the Credit Union, the Member may pay to the Guarantor amounts on account of the Member's debts or liabilities to the Guarantor. This postponement and assignment is independent of the Guarantee and will remain in force until all amounts owing by the Member to the Credit Union have been paid in full. The Guarantor agrees not to claim any set-off or cross claim against the Member in respect of any liability of the Member to the Guarantor, nor to claim or prove in the bankruptcy or insolvency of the Member in competition with the Credit Union.

**9. Notices**

- (a) Wherever notice is required to be given, it may be given by personal delivery or mailed by prepaid ordinary mail to the Guarantor at the Guarantor's last known address as shown on the Credit Union's records.
- (b) The Guarantor may give notice to the Credit Union by personal delivery to the manager of the branch office with which the Member deals, or by prepaid ordinary mail addressed to the address shown on page 1.
- (c) Notice is deemed given on the date of personal delivery or on the 5th day after the date of mailing.

**10. General Provisions**

- (a) This Guarantee and all matters arising from it are governed by the laws of Manitoba.
- (b) If any part of this Guarantee is found to be unenforceable or invalid by a Court having jurisdiction over it, that part will be deemed to have been severed but the rest of the Guarantee will continue to be in effect.
- (c) The headings in this Guarantee are included for convenience only and are not to be considered in the interpretation of this Guarantee.
- (d) This Guarantee will remain in full force and effect until a written amendment to this Guarantee is signed or until all amounts owing by the Member have been paid in full and a release of the Guarantor has been provided by the Credit Union. Any amendment or release that is not in writing will have no effect. There are no representations or promises relating to this Guarantee apart from the written terms of this Guarantee.
- (e) This Guarantee will be binding on the Guarantor's heirs, legal representatives, successors and assigns.
- (f) This Guarantee will be for the benefit of the Credit Union and its successors and assigns.
- (g) This Guarantee is in addition to and does not replace any other existing or future guarantees of the Member's debts or collateral pledged as security held by the Credit Union.

**11. Privacy Acknowledgement**

The Guarantor acknowledges that the Credit Union has adopted policies to protect the Guarantor's privacy and that particulars may be obtained on request. Until the Guarantor withdraws consent, the Guarantor hereby consents to the use (by the Credit Union and any of its affiliates or other members of the Canadian Credit Union system) of information provided by or collected about the Guarantor for any use related to the provision to the Member or the Guarantor (whether currently provided or prospective) of financial services by the Credit Union or any of the Credit Union's affiliates or other members of the Canadian Credit Union system.

If the Guarantor wishes to limit consent, the Guarantor will attach a Privacy Exception Form and check off this box.

The Guarantor hereby consents to the conduct of a personal investigation by or for the Credit Union including the use of the Guarantor's Social Insurance Number. The personal investigation may involve enquiries from any credit bureau, as well as any current or former financial institution, lender, landlord or employer. This is to allow the Credit Union to assess the Guarantor's creditworthiness now and in the future. The information to be collected relates to the Guarantor's borrowing and repayment history and performance. The Credit Union is authorized to disclose financial information to other financial institutions, lenders or credit bureaus, on direct enquiry by any of them to allow ongoing assessment of the Guarantor's creditworthiness now and in the future and the Guarantor agrees to indemnify the Credit Union from any claims arising from any such disclosure by the Credit Union. This consent, authorization and indemnity shall continue in effect so long as this Guarantee continues.

THIS GUARANTEE is signed by the Guarantor on the Guarantee Date.

Signed, sealed and delivered on \_\_\_\_\_  
(The Guarantee Date)

**IF GUARANTOR IS AN INDIVIDUAL: (\*)**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Signature)

(\*) Attach a separate Schedule if additional signature lines are required.

**IF GUARANTOR IS A CORPORATION: (\*)**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness (Complete if Corporation does not have a seal)

\_\_\_\_\_  
(Name of Corporation)

Per: \_\_\_\_\_  
(Signature and Title)

Per: \_\_\_\_\_  
(Signature and Title)



Affix Corp. Seal

**IF GUARANTOR IS A PARTNERSHIP: (\*)**

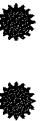
\_\_\_\_\_  
Witness

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Name of Partnership)

Per: \_\_\_\_\_  
(Signature)

Per: \_\_\_\_\_  
(Signature)



NOTE: If the Guarantor is an incorporated company, its corporate seal should be affixed opposite the signature(s) of its signing officer(s) or if incorporated company does not have a corporate seal, a completed Declaration (CCSM 50.235) must be on file and the corporate signatures must be witnessed by the credit union.

# GUARANTEE

<b>Guarantor Name</b> COLLISION KINGS GROUP INC	<b>Birth Date</b> _____	<b>Address of Residence</b> _____
_____	_____	_____
(the "Guarantor")		
<b>Credit Union Name</b> CROSSTOWN CIVIC Credit Union Limited		<b>Principal Debtor Name</b> 10021134 MANITOBA LTD
171 DONALD STREET		Name
Address		371 NIAGARA STREET
WINNIPEG, MANITOBA R3C 1M4		Address
(the "Credit Union")		(the "Member")

THIS GUARANTEE in favour of the Credit Union is made as of the "Guarantee Date" identified on the reverse side hereof. Whenever there is reference to the Guarantor or the Member, this will include a single guarantor or member, or, where there are more, shall mean and include all and any one or more of the guarantors or members, as the case may be.

In return for a) the Credit Union dealing with or continuing to deal with the Member; and b) loans previously made or to be made to the Member by the Credit Union, the Guarantor guarantees the debts of the Member to the Credit Union on the following conditions:

**1. Nature of Debts Guaranteed**

This Guarantee applies to all debts, liabilities or monies owed by the Member including interest to the Credit Union regardless of when or how such liability may arise. In addition to the liabilities of the Member, this Guarantee applies to all costs and expenses incurred by the Credit Union in respect of the liabilities or any security for them.

**2. Nature of Guarantee**

This Guarantee is unconditional and irrevocable, will be a continuing guarantee and will remain in effect until the Member is no longer indebted to the Credit Union nor liable to it in any way. If this Guarantee is signed by more than one guarantor, their obligations under this Guarantee are:

- check off applicable choice. if only one guarantor, leave blank
- several (each Guarantor is individually responsible for the sum set out in paragraph 3)
- or -
- joint and several (the Guarantors are collectively responsible for the sum set out in paragraph 3 and any one Guarantor may be required to pay the entire amount guaranteed)

**3. Amount of Liabilities Guaranteed**

The obligation of the Guarantor under this Guarantee is

- check off or mark "X" in applicable box
- limited to the sum of \$598,000.00 ;
- or -
- limited to the sum of \$ \_\_\_\_\_ in the aggregate, the whole of which amount is the joint and several obligation of all who have signed as Guarantor;
- or -
- limited to the sum of \$ \_\_\_\_\_ with respect to each who has signed as Guarantor, it being acknowledged that the aggregate of the amounts guaranteed is \$ \_\_\_\_\_;
- or -
- unlimited.

In addition to the principal amount set out above, the Guarantor also agrees to pay interest to the Credit Union on all amounts owing under this Guarantee, payable from the date demand is made on the Guarantor, calculated as follows:

(a) Floating Rate Of Interest: at the rate of interest equal to the CCCU PRIME Rate of interest of the Credit Union (hereinafter referred to as the "Variable Loan Rate") declared from time to time, plus XXX PERCENT (XXX%) per annum. The Variable Loan Rate is subject to fluctuation without notice and is the lending rate of interest expressed as a rate per annum established from time to time by the Board of Directors of the Credit Union as its Variable Loan Rate.

COMPLETE ONLY (a) or (b) At the date of execution of this Guarantee the Variable Loan Rate is XXX PERCENT (XXX%) per annum and therefore, the interest rate that would initially be charged on amounts demanded pursuant to this Guarantee would be XXX PERCENT (XXX%) per annum.

(b) Fixed Rate Of Interest: at EIGHTEEN PERCENT (18.00%) per annum.

**4. Demand on Guarantee**

At any time after the bankruptcy or insolvency of the Member or default of the obligations of the Member to the Credit Union, the Credit Union may, at its option, make demand on the Guarantor for payment of all or any part of the Member's obligations to the Credit Union (subject to any limits contained in paragraph 3). Such demand shall be in writing and the Guarantor agrees to make payment immediately and to pay interest as set out in paragraph 3 until payment is made in full.

**5. Application of Payments by Credit Union**

The Credit Union may apply any payment received from the Guarantor against any part of the Member's obligations, as the Credit Union chooses. If the payment by the Guarantor is enough to pay all of the Member's obligations to the Credit Union, the Credit Union will either discharge any security held from the Member or transfer it to the Guarantor, as the Guarantor may decide. Until the Member's obligations to the Credit Union are paid in full, the Guarantor will not be entitled to claim any right or benefit which the Credit Union may have against the Member nor will the Guarantor request a discharge or transfer of security available to the Credit Union.

**6. Continuing Effect of Guarantee**

The Guarantor agrees that this Guarantee and the Guarantor's obligations under it will continue and will not be affected in any way by any one or more of the following actions or events:

- (a) the closing of the Member's account with the Credit Union;
- (b) the receipt of payments on account of the Member's debts to the Credit Union;
- (c) the release of any security for the Guarantor's or the Member's obligations;
- (d) the release of any other guarantor;
- (e) the death or loss of capacity of the Member or the Guarantor;
- (f) the change of the Member's name, or if the Member is a partnership, society or corporation, any change in membership, ownership, internal structure or organization of the Member;
- (g) the bankruptcy of the Member or any other guarantor;
- (h) the failure of the Credit Union to take any steps to collect from the Member, to realize on any securities provided by the Member or to pursue collection from any trustee in bankruptcy of the Member;
- (i) the failure of the Credit Union, on a sale of any collateral pledged as security for the Member's obligations, to realize enough proceeds to pay the Member's obligations to the Credit Union in full;
- (j) the failure of the Credit Union to give notice to the Guarantor of any dealing between the Credit Union and the Member or any dealing with any collateral pledged as security for the Guarantor's or the Member's obligations;

- (k) any agreement between the Member and the Credit Union to change or extend the terms of repayment of the Member's debt to the Credit Union or to add to, change or modify any collateral pledged as security for the Member's debt;
- (l) any agreement or decision by the Credit Union not to take steps to collect the monies owing from the Member or to take no action on any collateral pledged as security to the Credit Union; or
- (m) a finding by a Court that the Credit Union may not be able to enforce payment of interest by the Member.

**7. Waiver of Formalities**

The Guarantor agrees that the Credit Union is not obliged to:

- (a) give notice of the existence or creation of a debt owed by the Member;
- (b) give notice of presentment, demand, dishonour, protest or other notices relating to non-performance by the Member;
- (c) use diligence in collecting any debt from the Member; or
- (d) protect or realize on any collateral pledged as security for any debt owing by the Member.

**8. Postponement and Assignment**

The Guarantor agrees that any debts or amounts owing by the Member to the Guarantor are assigned to the Credit Union and postponed in favour of the debts or amounts owing by the Member to the Credit Union and the Credit Union will have a security interest in such debts or amounts owing by the Member to the Guarantor. All money received by the Guarantor from the Member will be received in trust for the Credit Union and will be paid to the Credit Union on demand. If and to the extent approved in writing by the Credit Union, the Member may pay to the Guarantor amounts on account of the Member's debts or liabilities to the Guarantor. This postponement and assignment is independent of the Guarantee and will remain in force until all amounts owing by the Member to the Credit Union have been paid in full. The Guarantor agrees not to claim any set-off or cross claim against the Member in respect of any liability of the Member to the Guarantor, nor to claim or prove in the bankruptcy or insolvency of the Member in competition with the Credit Union.

**9. Notices**

- (a) Wherever notice is required to be given, it may be given by personal delivery or mailed by prepaid ordinary mail to the Guarantor at the Guarantor's last known address as shown on the Credit Union's records.
- (b) The Guarantor may give notice to the Credit Union by personal delivery to the manager of the branch office with which the Member deals, or by prepaid ordinary mail addressed to the address shown on page 1.
- (c) Notice is deemed given on the date of personal delivery or on the 5th day after the date of mailing.

**10. General Provisions**

- (a) This Guarantee and all matters arising from it are governed by the laws of Manitoba.
- (b) If any part of this Guarantee is found to be unenforceable or invalid by a Court having jurisdiction over it, that part will be deemed to have been severed but the rest of the Guarantee will continue to be in effect.
- (c) The headings in this Guarantee are included for convenience only and are not to be considered in the interpretation of this Guarantee.
- (d) This Guarantee will remain in full force and effect until a written amendment to this Guarantee is signed or until all amounts owing by the Member have been paid in full and a release of the Guarantor has been provided by the Credit Union. Any amendment or release that is not in writing will have no effect. There are no representations or promises relating to this Guarantee apart from the written terms of this Guarantee.
- (e) This Guarantee will be binding on the Guarantor's heirs, legal representatives, successors and assigns.
- (f) This Guarantee will be for the benefit of the Credit Union and its successors and assigns.
- (g) This Guarantee is in addition to and does not replace any other existing or future guarantees of the Member's debts or collateral pledged as security held by the Credit Union.

**11. Privacy Acknowledgement**

The Guarantor acknowledges that the Credit Union has adopted policies to protect the Guarantor's privacy and that particulars may be obtained on request. Until the Guarantor withdraws consent, the Guarantor hereby consents to the use (by the Credit Union and any of its affiliates or other members of the Canadian Credit Union system) of information provided by or collected about the Guarantor for any use related to the provision to the Member or the Guarantor (whether currently provided or prospective) of financial services by the Credit Union or any of the Credit Union's affiliates or other members of the Canadian Credit Union system.

If the Guarantor wishes to limit consent, the Guarantor will attach a Privacy Exception Form and check off this box.

The Guarantor hereby consents to the conduct of a personal investigation by or for the Credit Union including the use of the Guarantor's Social Insurance Number. The personal investigation may involve enquiries from any credit bureau, as well as any current or former financial institution, lender, landlord or employer. This is to allow the Credit Union to assess the Guarantor's creditworthiness now and in the future. The information to be collected relates to the Guarantor's borrowing and repayment history and performance. The Credit Union is authorized to disclose financial information to other financial institutions, lenders or credit bureaus, on direct enquiry by any of them to allow ongoing assessment of the Guarantor's creditworthiness now and in the future and the Guarantor agrees to indemnify the Credit Union from any claims arising from any such disclosure by the Credit Union. This consent, authorization and indemnity shall continue in effect so long as this Guarantee continues.

THIS GUARANTEE is signed by the Guarantor on the Guarantee Date.

Signed, sealed and delivered on \_\_\_\_\_  
(The Guarantee Date)

**IF GUARANTOR IS AN INDIVIDUAL: (\*)**

	[Name(s)]
Witness	(Signature)
Witness	(Signature)

(\*) Attach a separate Schedule if additional signature lines are required.

**IF GUARANTOR IS A CORPORATION: (\*)**

	COLLISION KINGS GROUP INC (Name of Corporation)
Witness	Per: (Signature and Title)
Witness (Complete if Corporation does not have a seal)	Per: _____ (Signature and Title)

**IF GUARANTOR IS A PARTNERSHIP: (\*)**

	(Name of Partnership)
Witness	Per: _____ (Signature)
Witness	Per: _____ (Signature)

NOTE: If the Guarantor is an incorporated company, its corporate seal should be affixed opposite the signature(s) of its signing officer(s) or if incorporated company does not have a corporate seal, a completed Declaration (CCSM 50.235) must be on file and the corporate signatures must be witnessed by the credit union.



**1. MORTGAGE TYPE**

Mortgage       Mortgage of Mortgage       Encumbrance       Mortgage of Encumbrance

---

**2. MORTGAGOR**

Individual  
 Corporation  
 Corporation Name

Signed pursuant to a       power of attorney       court order

Executor, Administrator, Trustee  
 Government and Government Agency

---

**3. LAND DESCRIPTION AND PRIOR INSTRUMENTS**

Land 1

All or part of a title  
 Current title number       Issuing from title number  
       All       Part

Land Description

All units in a condominium plan  
 All lots, blocks and parcels in a plan

Subject to the following instruments

Currently on title  
 Instrument Number

Registered prior in series

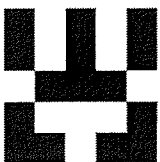
---

**4. MORTGAGEE**

Individual       Full legal name required  
 Corporation

For your protection, ensure the following before signing:

1. The exact image and the barcode below, are present on all pages.



2. The 32 character control number below is present and identical on all pages.

**299B-25A0-3B5B-4AC4-3689-350A-5748-9E22**

3. All 4 Mortgage content pages are present.



Corporation Name

CROSTOWN CIVIC CREDIT UNION LIMITED

In trust for self-directed registered account, detailed as follows

[Empty text box for details of self-directed account]

Address for Service

171 DONALD STREET

[Empty text box for address line 2]

City

WINNIPEG

Province

MANITOBA

Country

CANADA

Postal Code

R3C 1M4

Share or fractional interest of the mortgage monies contributed  %

Executor, Administrator

Government and Government Agency

**5. TERMS AND PAYMENT PROVISIONS**

Mortgage Description

Multi-purpose mortgage

Mortgage Principal Amount

750,000.00

Canadian Dollar (CAD)

Standard Charge Mortgage Terms

Deposited at land titles as number

4880098/1

and name CREDIT UNION CENTRAL OF MANITBA LIMITED

Not applicable

Loan Description

[Empty text box for loan description]

Loan Principal Amount

750,000.00

Canadian Dollar (CAD)

Mortgage secures a revolving credit up to the loan principal amount

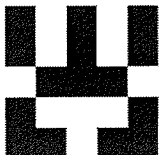
Payment Details

Prime is defined as

[Empty text box for prime definition]

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- Scheduled Payments
- Payable on Demand

Additional Provisions

- This mortgage secures the refundable portions of tenants' entrance fees as required by clause 28(2)(b) of *The Life Leases Act*.
- Covenantor will sign
- Guarantee Mortgage
- Collateral Mortgage

Details

- Secures present and future liabilities

Details

- Secures current or running account
- Prepayment terms
- Other

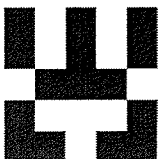
**6. THE FARM LANDS OWNERSHIP ACT EVIDENCE**

The registration of this instrument does not contravene the provisions of *The Farm Lands Ownership Act* because

- The within land is not farm land as defined in *The Farm Lands Ownership Act*.
- All of the within lands are farm land and are being mortgaged pursuant to a *bona fide* debt obligation.
- Some of the within lands are farm land and the farm lands are being mortgaged pursuant to a *bona fide* debt obligation.
- Other

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3. All 4 Mortgage content pages are present.



**7. INSTRUMENT PREPARED BY**

Given Name  Middle Names  Surname  Suffix

Company

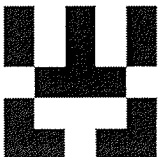
Telephone +    Extension  E-Mail

File Number  Description

**i** If you want to change the registration form now that the signature pages have been created, you must unlock the electronic version of the form and remove the signature pages. If you do this, you will lose all changes made to the signature pages. Any signature pages already printed will be invalid and will have to be regenerated, reprinted and, where they have already been signed, resigned.

For your protection, ensure the following before signing:

1. The exact image and the barcode below, are present on all pages.
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**299B-25A0-3B5B-4AC4-3689-350A-5748-9E22**
3. All 4 Mortgage content pages are present.






SIGNATURES AND EVIDENCE

1. The mortgagor is or is entitled to be the owner of the land.
2. The mortgagor hereby mortgages to the mortgagee its interest in the land as security for performance of all its obligations herein.
3. The mortgagor promises to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the age of majority.
6. Additional evidence

[Empty box for additional evidence]

Mortgagor BUNZY'S AUTO BODY LTD.

Signature  Date 

Name SHANE DAERDEN

(YYYY-MM-DD)

Employee  Officer  Director

Position President & Secretary

WITNESS

Signature 

Address MCT Atkins LLP  
30th floor - 360 Main St.  
Winnipeg, MB R3C 4G1

Name Steven Ferreira

This person witnessed all signatures by BUNZY'S AUTO BODY LTD.


The mortgagee is a financial institution and the witness is

- An officer of the mortgagee
- An employee of the mortgagee
- A person designated by the mortgagee

Document witnessed inside Canada by

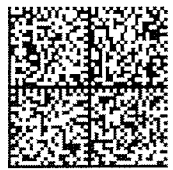
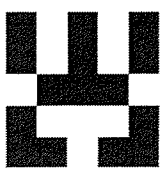
- Practising lawyer
- Notary public in the Province of British Columbia or Quebec

A person entitled to administer oaths inside or outside of Manitoba

 District Registrar approval required

For your protection, ensure the following before signing:

1. The exact image and the barcode below, are present on all pages.



2. The 32 character control number below is present and identical on all pages.

**299B-25A0-3B5B-4AC4-3689-350A-5748-9E22**

3. All 4 Mortgage content pages are present.



Title

Expires on

Does not expire

(YYYY-MM-DD)

Document witnessed outside of Canada by a person entitled to administer oaths outside of Manitoba

Title

Expires on

Does not expire

(YYYY-MM-DD)

Notary certificate under seal attached

**WHO MAY BE A WITNESS**

Only those persons specified in the section 72.4 of *The Real Property Act* may act as a witness to this document.

**NOTICE TO WITNESSES**

By signing as witness you confirm that the person whose signature you witnessed:

1. Is either personally known to you, or that their identity has been proven to you.

AND

2. That they have acknowledged to you that they:  
(a) are the person named in this instrument;  
(b) have attained the age of majority in Manitoba; and  
(c) are authorized to execute this instrument.

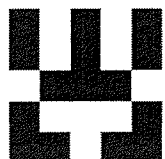
By virtue of section 194 of *The Real Property Act*, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to *The Manitoba Evidence Act*.

*The Mortgage Act* provides that the mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every 12 months, or as needed for pay off or sale.

SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE. In this document "I" or "me" is to be read as including all mortgagors, encumbrances, mortgagees and encumbrancers whether individual or corporate.

For your protection, ensure the following before signing:

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2. The 32 character control number below is present and identical on all pages.

**299B-25A0-3B5B-4AC4-3689-350A-5748-9E22**

3. All 4 Mortgage content pages are present.

**THIS IS EXHIBIT "42" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**PROMISSORY NOTE**  
(the "VTB Note")

THIS VTB NOTE DATED AS OF THE 1<sup>st</sup> DAY OF AUGUST, 2019.

TO OR TO THE ORDER OF:

Don Golden Auto Body Ltd. (the "**Lender**")

PURSUANT TO the terms of that asset purchase agreement made among Collision Kings 3 Ltd. (herein, the "**Borrower**"), the Lender, Don Golden and Debbie Golden dated effective August 1, 2019 (the "**Purchase Agreement**").

**1. PROMISE TO PAY**

FOR VALUE RECEIVED, the Borrower promises to pay to or to the order of the Lender, the sum of **THREE HUNDRED AND TWENTY THOUSAND (\$320,000.00) DOLLARS**, in Canadian funds (the "**Principal Amount**"), together with all interest thereon or on the outstanding balance thereof calculated thereon (collectively referred to as "**the Indebtedness**"), all on the terms and conditions set out herein.

**2. TERM**

The Principal Amount plus interest shall be repaid to the Lender by the Borrower over a period of five (5) years in sixty (60) equal blended monthly payments of \$5,886.07 commencing that date that is one (1) month from the Closing Date, all as more particularly set out in the attached Loan Amortization Schedule. In the event that the Borrower is in default of any of the said instalments when due and remains in default for a period of fifteen (15) days, the entire amount of the Indebtedness shall, at the sole option of the Lender, become immediately due and payable.

**3. INTEREST RATE**

The Principal Amount outstanding shall bear interest at a rate of 3.95% compounded annually on the outstanding Principal Amount.

**4. PREPAYMENT**

The Borrower shall be entitled to prepay the Indebtedness, in whole or in part, at any time without notice bonus or penalty.

Any such prepayment shall be applied by the Lender to prepay, in reverse order of maturity, all interest on overdue interest, all interest payments due and owing, all accrued interest and the Principal Amount, in that order.

**5. SECURITY**

For the better securing to Lender LLP the Indebtedness, the Borrower hereby acknowledges, agrees and grants in favour of the Lender the VTB Security as defined in the Purchase Agreement, in accordance with the terms thereof.

**6. GOVERNING LAW AND JURISDICTION**

This VTB 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 (other than the conflict of laws rules). The

parties hereby submit to the jurisdiction of the Courts of the Province of Alberta in respect of any dispute arising under the VTB Note or any security related thereto.

**7. BORROWER'S COVENANTS**

Until the Indebtedness which may from time to time be owing hereunder or pursuant hereto have been repaid in full and all obligations of the Borrower to the Lender have been fully satisfied, the Borrower shall promptly upon becoming aware thereof, provide notice of any material fact or material change which has had, is having, or is expected to have, a material adverse effect since the date hereof on the business, condition, operations, properties, assets, financial position or otherwise or the Borrower' ability to perform their obligations contemplated pursuant to the VTB Note.

**8. NO DEDUCTION**

All payments of principal and interest to be made pursuant to the VTB Note shall be made without setoff, withholding, deduction or counterclaim of any kind whatsoever.

**9. SUCCESSORS AND ASSIGNS**

The VTB Note shall enure to the benefit of and be binding upon the Borrower and the Lender and each of their respective successors and assigns. Any references herein to the Lender or the Borrower shall include their respective successors and assigns as if specifically named. The VTB Note may be assigned by the Lender and, if so assigned, the Lender shall provide the Borrower with written notice of such assignment. The Borrower may not assign their rights or obligations under the VTB Note to a third party. Any assignment of the VTB Note by the Borrower to a third party shall constitute a default under the VTB Note after which time the VTB Note shall become immediately due and payable.

**10. SUBORDINATION**

It is acknowledged and agreed that this VTB Note and all VTB Security will at all times rank behind, and be postponed and subordinated to, the obligations of and security granted by the Borrower to its primary lender (the "**Primary Lender Security**") in accordance with the terms of such Primary Lender Security. The Lender acknowledges and agrees to promptly execute the priorities and subordination agreement, the 120 day standstill agreement and any other documentation requested by such primary lender in order to give effect to this provision.

**11. WAIVER BY THE BORROWER**

The Borrower expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonour, notice of intent to accelerate the maturity hereof, notice of the acceleration of the maturity hereof and statutory days of grace.

**12. COSTS / EXPENSES OF ENFORCEMENT**

The Borrower hereby agrees that any and all costs and expenses incurred by the Lender in connection with the enforcement of, or default under, this VTB Note shall be for the account of the Lender.

**13. INTERPRETATION**

Capitalized terms used but not otherwise defined herein have the meaning attributed to such terms in the Purchase Agreement.

**IN WITNESS WHEREOF** the Borrower has executed the VTB Note effective as of the date first written above.

**2204021 ALBERTA LTD.**

Per: 

Name: Shane Daerden

Title: President



**THIS IS EXHIBIT "43" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

# GENERAL SECURITY AGREEMENT

TO: **DON GOLDEN AUTO BODY LTD.**  
(hereinafter referred to as the "**Secured Party**")

FROM: **COLLISION KINGS 3 LTD.**  
(hereinafter referred to as the "**Debtor**")

## 1. Definitions

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of Alberta, as in force at the date of this Agreement, which Act including amendments thereto and any Act substituted therefore and amendments thereto is herein defined as the "PPSA".

## 2. Creation of Security Interest

- a) For value received, the Debtor hereby grants to the Secured Party a security interest (the "**Security Interest**") in the undertaking of the Debtor and in all goods and property (real or personal), (including all parts, accessories, attachments, special tools, additions and accessions thereto and all inventory and all equipment), chattel paper, documents of title (whether negotiable or not), instruments, intangibles (including all book debts) and securities, of whatever kind and wherever situate, now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore and in all documents, writings and records now or hereafter existing of the Debtor (hereinafter collectively called "**Collateral**" or "**all present and after-acquired property**").
- b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include, the last day of the terms of any lease or agreement therefore but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- c) The terms "goods", "chattel paper", "documents of title", "instruments", "intangibles", "securities", "proceeds", "inventory", "accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the PPSA. Provided always that the term "goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the PPSA, and the term "inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "collateral" shall, unless the context otherwise requires, be deemed a reference to "collateral or any part thereof".

## 3. Obligations Secured

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Secured Party pursuant to a promissory note in favour of the Secured Party dated August 1, 2019 (the “**VTB Note**”) (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as a principal or surety (hereinafter collectively called the “**Indebtedness**”).

4. **Continuous Interest**

The mortgage, pledge, charge and Security Interest hereby created shall be a continuous charge notwithstanding the Indebtedness may be fluctuating and notwithstanding monies advanced may be repaid and further advances made to or to the order of the Debtor or in respect of which the Debtor is liable.

5. **Authorized Dealing with Collateral**

Until Default, or until the Secured Party provides written notice to the contrary to the Debtor, the Debtor may deal with the Collateral in the ordinary course of the Debtor’s business in any manner not inconsistent with the provisions of this Agreement, provided that the Debtor may not, and agrees that it will not, without the prior written consent of the Secured Party:

- a) sell or dispose of any of the Collateral otherwise than for fair market value in the ordinary course of the Debtor’s business as it is presently conducted and for the purpose of carrying on that business; or
- b) create or incur any Security Interest, lien, assessment, or encumbrance upon any of the Collateral which ranks or purports to rank, or is capable of being enforced in priority to or equally with the Security Interest granted under this Agreement, except for in accordance with the subordination set forth in the VTB Note in connection with the primary lender obligations, Purchase Money Security Interests and Leases incurred in the ordinary course of the Debtor’s business.

If the collateral comprises any securities, chattel paper, instruments, money or documents of title, the Debtor will, upon request, deliver the same to the Secured Party and will allow the Secured Party to retain possession of the same.

6. **Representations and Warranties of the Debtor**

The Debtor represents and warrants with the Secured Party that:

- a) the collateral is owned by the Debtor free of all Security Interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collective called “Encumbrances”), other than primary lender obligations and those incurred in the ordinary course of business;

- b) each account, chattel, paper and instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the “**Account Debtor**”) and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor will be the correct amount actually and unconditionally owing from such Account Debtor;
- c) the Debtor has full power and authority to conduct its business and own its properties in all jurisdictions in which the Debtor carries on business and has full power and authority to execute, deliver and perform all of its obligations under this Agreement;
- d) this Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditor’s rights and by rules of equity governing enforceability by specific performance;
- e) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Agreement;
- f) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the collateral, the adverse determination of which might materially and adversely affect the Debtor’s financial condition or operations or impair the Debtor’s ability to perform its obligations hereunder; and
- g) the names of the Debtor are accurately and fully set out above, and the Debtor is not known by any other names.

7. **Covenants of the Debtor**

The Debtor hereby covenants with the Secured Party that, until the Indebtedness is repaid in full:

- a) the Debtor owns and will maintain the Collateral free of Encumbrances, except primary lender obligations, Purchase Money Security Interests and Leases incurred in the ordinary course of the Debtor’s business, and will defend title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- b) the Debtor will maintain the Collateral in good condition and repair and will not allow the value of the Collateral to be impaired and will permit the Secured Party or such other person as the Secured Party may from time to time appoint to enter into any premises where the Collateral may be kept to view its condition;
- c) the Debtor will conduct its business in a proper and business-like manner and will keep proper books of account and records of its business, and upon request will furnish access to its books and records at all reasonable times, and will give to the

Secured Party any information which it may reasonably require relating to the Debtor's business;

- d) the Debtor will punctually pay all rents, taxes, rates and assessments lawfully assessed or imposed upon any property or income of the Debtor and will punctually pay all debts and obligations to laborers, workmen, employees, contractors, subcontractors, suppliers or materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the Security Interest granted by this Agreement;
- e) the Debtor will punctually make all payments and perform all obligations in any lease by the Debtor and under any agreement charging property of the Debtor;
- f) the Debtor will immediately give notice to the Secured Party of:
  - (i) any change in the location of the Collateral;
  - (ii) the details of any material acquisition or disposition of Collateral (whether authorized by the Secured Party or not);
  - (iii) any material loss of or damage to Collateral;
  - (iv) the details of any claims or litigation affecting materially the Debtor or Collateral; and
  - (v) any changes of its name.
- g) the Debtor will insure and keep insured against loss or damage by fire or other insurance hazards the Collateral to the extent of its full insurable value. The loss under the policies of insurance will be made payable to the Secured Party as its interest may appear and will be written by an insurance company approved by the Secured Party. The loss under the policies of insurance will be made payable to the Secured Party as its interest may appear and will be written by an insurance company approved by the Secured Party in terms satisfactory to the Secured Party and the Debtor will provide the Secured Party with copies of the same. The Debtor will pay all premiums and other sums of money necessary for such purposes as they become due and deliver to the Secured Party proof of said payment, and will not allow anything to be done by which the policies may become vitiated. Upon the happening of any loss or damage, the Debtor will furnish, at its expense, all necessary proofs and will do all necessary acts to enable the Secured Party to obtain payment of the insurance monies;
- h) the Debtor will observe the requirements of any regulatory or governmental authority with respect to the Collateral;
- i) the Debtor will not remove any of the Collateral from Alberta without prior written consent of the Secured Party;
- j) the Secured Party may pay or satisfy to be paid to clear title to such Collateral, and the Debtor agrees to repay the same on demand, plus interest thereon at a rate

equal to the highest rate of interest currently payable by the Debtor on any portion of the Indebtedness; and

- k) the Secured Party may from time to time specify to the Debtor in writing affirmative covenants and restrictions to be performed and observed by the Debtor in respect of provision of financial information, payment of dividends, capital expenditures, incurring additional obligations, reduction of capital, distribution of assets, amalgamation, repayment of loans, lending of money, sale and other disposition of assets and/or such other matters as the Secured Party may think fit, and the Debtor agrees to perform and observe such affirmative and negative covenants and restrictions to the same extent and effect as if the same were fully set forth in this Agreement

## 8. **Default**

If any of the following events occurs and continues for a period of seven (7) days following written notice by the Secured Party, the Debtor shall be in default under this Agreement (“**Default**”):

- a) the Debtor fails to pay, when due, the Indebtedness or any part thereof or to perform when due any other obligation contained in this document or any other document securing the payment of the Indebtedness under the VTB Note to the Secured Party;
- b) any representation or warranty made in this Agreement or any other document or report furnished by the Debtor to the Secured Party in relation to the VTB Note and in respect of the Debtor or the Collateral or the Indebtedness provides to have been or to have become false or materially misleading;
- c) the Debtor ceases or demonstrates an intention to cease to carry on business or disposes or purposes to dispose of all or a substantial part of its assets;
- d) any of the licenses, permits or approvals granted by any government or any governmental authority and essential to the business of the Debtor is withdrawn, cancelled or significantly altered;
- e) an order is made or a resolution passed for winding up the Debtor, or a petition is filed for the winding up, dissolution, liquidation or amalgamation of the Debtor;
- f) the Debtor becomes insolvent or makes an assignment or proposal for the benefit of its creditors, or a Bankruptcy Petition or Receiving Order is filed or made against the Debtor, or a Receiver of the Debtor or any part of its property is appointed, or the Debtor commits or demonstrates an intention to commit any act of bankruptcy, or the Debtor otherwise becomes subject to the provisions of the *Bankruptcy and Insolvency Act* or any other Act for the benefit of its creditors;
- g) any execution, sequestration, extent or distress or any other like process is levied or enforced against any property of the Debtor, or any secured party takes possession of any of the Debtor’s property; or

- h) any material adverse change occurs in the financial position of the Debtor.

9. **Remedies**

On Default:

- a) the Secured Party may seize or otherwise take possession of the Collateral or any part thereof and sell the same by public or private sale at such price and upon such terms as the Secured Party in its sole discretion may determine and the proceeds of such sale less all costs and expenses of the Secured Party (including reasonable costs as between a solicitor and its own client) shall be applied on the Indebtedness and the surplus, if any, shall be disposed of according to law;
- b) the Secured Party has the right to enforce this Agreement by any method provided for in this Agreement and as permitted by law, and to dispose of the Collateral by any method permitted by law, including disposal by lease or deferred payment;
- c) the Secured Party may appoint any person or persons to be a Receiver of any collateral, and may remove any person so appointed and appoint another in his stead. The term "Receiver" as used in this Agreement includes a receiver-manager;
- d) any Receiver will have the power:
- (i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
  - (ii) to carry on or concur in carrying on the business of the Debtor;
  - (iii) to sell or lease any Collateral;
  - (iv) to make any arrangement or compromise which he may think expedient in the interest of the Secured Party;
  - (v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;
  - (vi) to hold as additional security any increase or profits resulting from the Collateral;
  - (vii) to exercise all rights that the Secured Party has under this Agreement or otherwise at law;
  - (viii) with the consent of the Secured Party in writing, to borrow money for the purpose of carrying on the business of the Debtor or for the maintenance of the Collateral or any part thereof or for other purposes approved by the Secured Party, and any amount so borrowed together with interest thereon

shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement; and

- (ix) to enter into and to occupy any premises in which the Debtor has any interest;
- e) the Debtor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect sale or lease of any Collateral and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Debtor;
- f) any Receiver will be deemed to be the agent of the Debtor, and the Debtor will be solely responsible for its acts or defaults and for his remuneration and expenses, and the Secured Party will not be in any way responsible for any misconduct or negligence on the part of any Receiver;
- g) neither the Secured Party nor the Receiver will be required to take any steps to preserve any rights against other parties pursuant to any chattel paper, security, or instrument constituting the Collateral or any part of it;
- h) neither the Secured Party nor the Receiver is required to keep Collateral identifiable; and
- i) the Secured Party may use the Collateral in any manner as it in its sole discretion deems advisable.

10. **Collection of Debts**

Before or after Default, the Secured Party may notify all or any account debtors of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors and after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party on request. The Debtor shall furnish the Secured Party with all information which may assist in the collection of all Accounts and any other monies or debts due to the Debtor.

11. **Acceleration**

In the event of Default, the Secured Party, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable.

12. **Notice**

Any notice or demand required or permitted to be made or given by the Secured Party to the Debtor may be validly served by leaving the same or by mailing the same by prepaid registered mail addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of the Secured Party, and in the case



of mailing such notice or demand shall be deemed to have been received by the Debtor on the third business day following the date of mailing.

13. **Costs and Expenses**

The Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, reasonable legal fees as between a solicitor and client), in enforcing this Agreement, taking custody of, preserving, repairing, maintaining, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it shall be a charge on the proceeds of realization, collection, or disposition of Collateral and shall be secured hereby.

14. **Miscellaneous**

- a) Without limiting any other right of the Secured Party, whenever the debts and liabilities of the Debtor to the Secured Party are immediately due and payable, or the Secured Party has the right to declare the debts and liabilities to be immediately due and payable, whether or not it has been so declared, the Secured Party may, in its sole discretion, set-off against the debts and liabilities any and all monies then owed by the Debtor to the Secured Party pursuant to the VTB Note, whether due or not due, and the Secured Party shall be deemed to have exercised such right of set-off immediately at the time of making its decision to do so even though any charge therefore is made or entered on the Secured Party's records subsequent thereto.
- b) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Security Interest. The Secured Party may demand, collect and sue on Collateral in either the Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse the Debtor's name on any and all cheques, commercial payback, and any other instruments pertaining to or constituting Collateral.
- c) Upon the Debtor's failure to perform any of its duties under this Agreement, the Secured Party may, but shall not be obligated to, perform any such duties, and the Debtor will pay to the Secured Party, upon demand, an amount equal to the expense incurred by the Secured Party in so doing with interest thereof from the date such expense is incurred at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness.
- d) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Agreement or the Security Interest created hereunder or any part thereof, the Debtor shall not assert against

the assignee any claim or defense which the Debtor now has or hereafter may have against the Secured Party.

- e) If more than one person executes this Agreement as the Debtor the obligations of such persons hereunder shall be joint and several.
- f) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by the Secured Party and all such other securities shall remain in full force and effect.
- g) The Debtor further agrees to execute and deliver to the Secured Party such further assurances and conveyances and supplemental deeds as may be necessary to properly carry out the intention of this Agreement, as may be reasonably required by the Secured Party from time to time.
- h) After Default, the Secured Party may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness.

#### 15. **Interpretation**

- a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.
- b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female, body corporate, partnership or other entity.
- c) The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest hereby created and does not form part of the Collateral, but the Debtor shall stand possessed of such last day in trust to assign same to any person acquiring such term.
- d) This Agreement will be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of the Province of Alberta or in any court of competent jurisdiction, as the Secured Party may elect, and the Debtor agrees to attorn to the same.

#### 16. **Copy of Agreement**

The Debtor hereby acknowledges receipt of this Agreement, and waives any right it may have to receive a financing statement or financing change statement relating to it. The Secured Party agrees to provide the Debtor with a copy of the verification statement concerning any Security Interest filed upon request.

**IN WITNESS WHEREOF** the Debtor has executed this Agreement on the \_\_\_ day of August, 2019.

**COLLISION KINGS 3 LTD.**

PER:  \_\_\_\_\_

**GUARANTEE**

**TO: DON GOLDEN AUTO BODY LTD.**

**FROM: SHANE DAERDEN**

**RE: COLLISION KINGS 3 LTD.**

**WHEREAS:**

A. **DON GOLDEN AUTO BODY LTD.** (the "**Lender**"), Don Golden, Debbie Golden and **COLLISION KINGS 3 LTD.** (the "**Borrower**") have entered into an Asset Purchase and Sale Agreement dated August 1, 2019 (the "**Agreement**") pursuant to which, among other things, the Lender has lent to the Borrower the sum of \$320,000.00, in Canadian funds on the terms set out in a promissory note (the "**VTB Note**") between the Lender and the Borrower dated August 1, 2019 (the "**Indebtedness**");

B. As a condition to the closing of the transactions contemplated in the Agreement, Shane Daerden (the "**Guarantor**") is required to provide a guarantee of the obligations of the Borrower to the Lender pursuant to the VTB Note.

**NOW THEREFORE IN CONSIDERATION OF** the Lender entering into the Agreement with the Borrower and the sum of TEN (\$10.00) DOLLARS paid by the Lender to the Guarantor, the receipt and sufficiency of which consideration are hereby acknowledged, the Guarantor hereby unconditionally and irrevocably guarantees to the Lender the due and punctual payment of the Indebtedness to the same extent as if the Guarantor were personally named as the debtor thereunder but subject to the further terms and conditions stated herein.

**AND THE GUARANTOR** agrees as follows:

1. Subject to the terms hereof, the Guarantor unconditionally and irrevocably guarantees to the Lender the due and punctual payment of the Indebtedness plus accrued interest from time to time and all other sums owed to the Lender pursuant to the VTB Note on the dates any such amounts become due and owing to the Lender under the VTB Note.
2. This Guarantee shall be a continuing guarantee of all the Indebtedness and shall apply to and secure any ultimate balance of the Indebtedness due or remaining unpaid to the Lender, and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender under the VTB Note.
3. The Guarantor agrees that he may be sued directly hereunder and waives any right he may have to require the Lender to exhaust its recourse against the Borrower or others or any remedy available to the Lender before being entitled to and requiring payment or performance from, or proceeding against, the Guarantor.

4. Without prejudice to or in any way limiting, lessening, releasing, merging, discharging, terminating discontinuing or otherwise affecting the Guarantor's liability in whole or in part, and upon giving written notice to the Guarantor, the Lender may allow the Borrower to be in default under the Agreement and the Agreement, may extend the time for payment or performance, or for correcting of any default, may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Borrower and the Guarantors in such a manner as the Lender may see fit, and the Lender may take, abstain from taking perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities in such manner as the Lender may see fit.

5. The Guarantor's liability to make payment under this Guarantee shall arise immediately upon receipt by the Guarantor of a written demand made by the Lender indicating that the Borrower has defaulted in payment in respect of any of the Indebtedness and failed to cure such default upon seven (7) days written notice. The Guarantor will be bound by any account settled between the Borrower and the Lender. A demand for payment shall be delivered to the Guarantor at the address listed below, or to such other address as provided by the Guarantor in the manner set forth below. All notices or demands made or provided pursuant to this Guarantee shall be deemed to have been effectually made when delivered personally, sent by facsimile or other electronic transmission or mailed by registered or certified mail to the address listed below or to such other address as the Guarantor may provide by way of a notice in writing:

The Guarantor:  
SHANE DAERDEN  
371 Niagra Street  
Winnipeg, Manitoba, R3N 0V3  
Email: sdaerden@gmail.com

with a copy to:

MLT AIKINS LLP  
360 Main Street, 30th Floor  
Winnipeg, Manitoba R4C 4G1  
Attention: Steven J. Kohn / Melissa I. Cattini  
Fax: 204-957-4607 / 204-957-4481  
Email: skohn@mltaikins.com and mcattini@mltaikins.com

All such notices mailed shall be deemed received five (5) days from mailing and any notice delivered or sent via facsimile or other electronic transmission shall be deemed received upon the delivery or transmission thereof as the case may be.

6. Upon default in payment of any sum owing by the Borrower to the Lender at any time, the Lender may treat all Indebtedness and all other sums owed pursuant to the VTB Note as due

and payable and may forthwith collect from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Indebtedness.

7. This Guarantee shall be in addition to and not in substitution for any other securities which the Lender may now or hereafter hold in respect of the Indebtedness and the Lender shall be under no obligation to marshal in favour of the Guarantor any other securities or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon. No loss of or in respect of or unenforceability of any other guarantees or other securities which the Lender may now or hereafter hold in respect of the Indebtedness, whether occasioned by the fault of the Borrower or otherwise, shall in any way limit or lessen the Guarantor's liability hereunder.

8. The Guarantor's obligations set out in herein shall not be in whole or in part merged, impaired, restricted, released, discharged, waived, terminated, affected, modified or prejudiced in any respect so as to be unenforceable by reason of:

- (a) any change: (i) in the name of the Borrower, (ii) in the objects, capital structure or constitution of the Borrower, or (iii) in the shareholders, officers, directors, capacity, powers, capital or constating documents of the Borrower;
- (b) any sale of the Borrower's business or any part thereof; or
- (c) any dissolution, merger, arrangement, continuation or amalgamation involving the Borrower.

but shall, notwithstanding any such event, continue in full force and effect and to apply to all Indebtedness whether theretofore or thereafter incurred. In the case of a merger, arrangement, continuation or amalgamation involving the Borrower, this Guarantee shall apply to the liabilities of the resulting firm, trust, partnership, corporation and any other incorporated or unincorporated organization or entity (in each case, "**person**"), and the term "Guarantor" or "Borrower", as the case may be, shall include each such resulting person.

9. This Guarantee and the Agreement constitutes the whole and entire agreement between the parties hereto with respect to the subject matter hereof and there are no terms, conditions, covenants, agreements, collateral agreements, representations or warranties, written or oral, express or implied, or otherwise, in relation to this Guarantee, other than as contained herein.

10. A void, illegal or unenforceable provision or application of this Guarantee shall be severed without affecting the remainder of this Guarantee or any other application. No failure or delay in exercising a right, power or remedy shall be a waiver of it nor shall an exercise of a right, power or remedy preclude another or further exercise or the exercise of another right, power or remedy. No release, termination or waiver of a provision of this Guarantee, or consent to departure therefrom, shall be effective unless signed in writing by the party or parties affected thereby, and then it shall be effective only in the specific circumstances in which it was given.


11. In this Guarantee the masculine gender and the singular shall be construed as the feminine gender and the plural where the context so requires.

12. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta.

13. This Guarantee may only be modified or amended by an agreement in writing signed by all of the parties hereto.

14. This Guarantee shall enure to the benefit of and be binding upon the Guarantor and his heirs, executors, administrators, successors and assigns; provided that the Guarantor shall in all respects continue to be bound by this Guarantee notwithstanding any assignment by the Guarantor.

AS WITNESS the hand and seal of the Guarantor at the City of,  
Winnipeg this 1<sup>st</sup> day of August, 2019.

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
SHANE DAERDEN

**AFFIDAVIT OF EXECUTION**

I Melissa Cattini of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY:

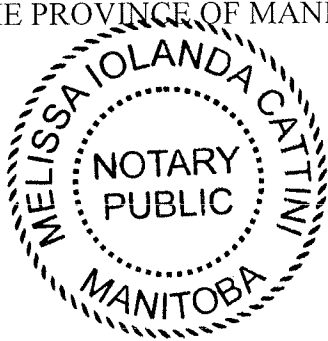
1. THAT I was personally present and did see SHANE DAERDEN named in the annexed instrument who are personally known to me to be the person named thereon, duly sign and execute the same for the purposes named therein.
2. THAT the same was executed at Winnipeg, in the Province of Manitoba.
3. THAT I know the SHANE DAERDEN and he is, in my belief, of the full age of eighteen (18) years.

SWORN BEFORE ME at the City of )  
Winnipeg, in the Province of )  
 Manitoba, this 30 day of JULY )  
 A.D. 2019. )

SHANE DAERDEN

Melissa Cattini

A NOTARY PUBLIC IN AND  
 FOR THE PROVINCE OF MANITOBA





**THE GUARANTEES ACKNOWLEDGEMENT ACT (ALBERTA)**  
**CERTIFICATE OF NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

1. SHANE DAERDEN of the city of Winnipeg, the Guarantor in the Guarantee dated July 1, 2019 made between SHANE DAERDEN and DON GOLDEN AUTO BODY LTD. which this Certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the Guarantee.

2. I satisfied myself by examination of the Guarantor that he is aware of the contents of the Guarantee and understands it.

CERTIFIED BY melissa Cattini, Barrister and Solicitor, at the City of Winnipeg in the Province of manitoba, this 1<sup>st</sup> day of August, 2019.



**STATEMENT OF GUARANTOR**

I am the person named in this Certificate.

  
\_\_\_\_\_  
SHANE DAERDEN

**THIS IS EXHIBIT "44" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**EXHIBIT 5 - VTB NOTE**

**PROMISSORY NOTE**

**\$500,000**

**REFERENCE IS MADE** to a Share Purchase Agreement dated the 4 day of ~~August~~ <sup>September</sup>, 2020 between **CHRISTOS STATHONIKOS FAMILY TRUST, MATTHEW STATHONIKOS FAMILY TRUST, DAVID STRETZ FAMILY TRUST, DOMNA INVESTMENTS INC., 1427916 ALBERTA INC. AND 1427913 ALBERTA INC.** (collectively the "Holders") and **2270683 ALBERTA LTD.** (the "Debtor") (the "SPA").

**FOR VALUE RECEIVED** the undersigned Debtor hereby acknowledges itself indebted and unconditionally promises to pay to the solicitors for the Holders in immediately available funds by way of wire transfer, bank draft, solicitors trust cheque or in such payment method as may be otherwise agreed by the parties, the sum of **\$500,000** (the "**Principal Amount**") and to pay interest on the unpaid Principal Amount hereof at the rates and on the date specified below (the "**VTB Loan**"). Repayment and payment shall be made in lawful currency of Canada unless otherwise agreed to in writing by each of the parties.

The Debtor agrees to pay Interest to the Holders on the unpaid Principal Amount at a rate equal 5% per annum (the "**Interest**") until the full and final repayment of the Principal Amount. Interest shall be calculated annually based on a 365/366 day year and will be payable in arrears and on the date of any prepayment or repayment.

The Principal Amount of this Promissory Note, together with all accrued and unpaid Interest, shall be due and payable over a period of five (5) years as follows:

- i. on each of the first and second anniversary dates of the Closing Date (as defined in the SPA), a payment of accrued interest only; and
- ii. on each of the third, fourth and fifth anniversary dates of the Closing Date (as defined in the SPA), a payment of \$166,666.66 plus accrued interest.

The Debtor shall have the right at any time or times to prepay the Principal Amount, together with the accrued Interest thereon, or any portion thereof in advance without notice or bonus or penalty.

Upon default of any payments required hereunder or upon the commencement by or against the Debtor of any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar proceeding relating to the Debtor or its debts in any jurisdiction, the unpaid Principal Amount of this Promissory Note and all Interest accrued thereon shall become immediately due and payable without presentment, demand, protest or notice of any kind.

The Debtor hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Promissory Note. No failure on the part of the Holders hereof to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof or a consent thereto; nor shall a single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

The books and records of the Holders shall constitute *prima facie* evidence of the Principal Amount and Interest outstanding under this Promissory Note from time to time.

The payment by the Debtor of the VTB Loan will be secured against all of the Debtor's present and after acquired personal property and the proceeds therefrom and the Debtor will enter into a subordinated general security agreement with the Holders in respect of such security interest in accordance with the provisions of the SPA. It is acknowledged and agreed that the obligations of the Debtor to the Holders and the security contemplated hereunder shall at all times rank behind and be postponed and subordinated in accordance with Section 2.12 of the SPA.

The non-exercise by the Holders of any rights hereunder in any particular instance shall not constitute a waiver thereof in that or any subsequent instance.

Unless made pursuant to the provisions of the SPA, the amounts payable under this Promissory Note shall not be subject to any deduction, withholding, set-off or counterclaim by the Debtor for any reason whatsoever without the prior consent (written or unwritten) of the Holders. All payments received by the Debtor will be applied first to payment of the Interest and then to the Principal Amount.

Neither the Holders nor the Debtor shall assign or transfer any or all of their rights, title, duties or interest in, to and under this Promissory Note to any person, other than an affiliate, subsidiary or amalgamation successor to the Holders or the Debtor, respectively, without the prior consent (written or unwritten) of the other party.

Upon satisfaction of all amounts payable under this Promissory Note, the Holders shall promptly execute and deliver to the Debtor a registrable discharge necessary to remove all registrations in any public office made by the Holders pursuant to this Promissory Note and any related security or otherwise in respect of the VTB Loan evidenced hereby.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. This Promissory Note shall be binding upon the Debtor and its permitted successors and assigns, and shall enure to the benefit of the Holders and its permitted successors and assigns.

If any provision of this Promissory Note is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the Debtor hereby waives any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

**DATED** as of the 25 day of September, 2020.

**2270683 ALBERTA LTD.**

Per:

  
Name: Shane Daerden  
Title: President

Amendment to VTB Promissory Note

REFERENCE IS MADE to the \$500,000 VTB Promissory Note (the "Note") dated September 25, 2020 between CHRISTOS STATHONIKOS FAMILY TRUST, MATTHEW STATHONIKOS FAMILY TRUST, DAVID STRETZ FAMILY TRUST, DOMNA INVESTMENTS INC., 1427916 ALBERTA INC. AND 1427913 ALBERTA INC. (collectively the "Holders") and 2270683 ALBERTA LTD. (the "Debtor").

The undernoted clause of the Note shall be removed:

*The Principal Amount of this Promissory Note, together with all accrued and unpaid Interest, shall be due and payable over a period of five (5) years as follows:*

- i. on each of the first and second anniversary dates of the Closing Date (as defined in the SPA), a payment of accrued interest only; and*  
  
*on each of the third, fourth and fifth anniversary dates of the Closing Date (as defined in the SPA), a payment of \$166,666.66 plus accrued interest.*

and shall be replaced with the following:

*The Principal Amount of this Promissory Note, together with all accrued and unpaid Interest, shall be due and payable over a period of five (5) years as follows:*

- i. on the first, second, and third anniversary dates of the Closing Date (as defined in the SPA), or on a mutually agreed date, a payment of accrued interest (with interest calculated pro rata on a monthly basis); and*
- ii. on each of the fourth and fifth anniversary dates of the Closing Date (as defined in the SPA), a payment of \$250,000 plus accrued interest.*

All other terms and conditions in the Note remain the same and the Holders acknowledge that the Note remains in good standing as at the date of this agreement.

DATED as of the \_\_\_\_ day of November, 2023.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

CHRISTOS STATHONIKOS FAMILY TRUST

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

Name: Christos Stathonikos

Title: Trustee

DAVID STRETZ FAMILY TRUST

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

Name: David Stretz  
Title: Trustee

MATTHEW STATHONIKOS FAMILY TRUST

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

Name: Matthew Stathonikos  
Title: Trustee

DOMNA INVESTMENTS INC.

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

Name: Christos Stathonikos  
Title: Director

1427916 ALBERTA INC.

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

Name: Matthew Stathonikos  
Title: Director

1427913 ALBERTA INC.

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

Name: David Stretz  
Title: Director

2270683 ALBERTA LTD.

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

Name: Shane Daerden  
Title: President

**THIS IS EXHIBIT "45" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## GENERAL SECURITY AGREEMENT

### 1. SECURITY INTEREST

- (a) For value received, the undersigned ("**Debtor**"), hereby grants to Christos Stathonikos Family Trust, Matthew Stathonikos Family Trust, David Stretz Family Trust, Domna Investments Inc., 1427916 Alberta Inc. and 1427913 Alberta Inc. (collectively, "**Lenders**"), a security interest on a pari passu basis among the Lenders (the "**Security Interest**") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "**Collateral**"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- (i) all inventory of whatever kind and wherever situate;
  - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
  - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("**Debts**");
  - (iv) all lists, records and files relating to Debtor's customers, clients and patients;
  - (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
  - (vi) all contractual rights and insurance claims;
  - (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "**Intellectual Property**"); and
- (b) The terms "**Goods**", "**Chattel Paper**", "**Document of Title**", "**Instrument**", "**Intangible**", "**Security**", "**Investment Property**", "**proceed**",



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

## 2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Lenders pursuant to the promissory note provided by Debtor in favour of Lenders (the "**VTB Note**") (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "**Indebtedness**"), granted pursuant to a share purchase agreement among Debtor, Lenders and CMD Holdings Inc. dated September 4, 2020 (the "**SPA**"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Lenders shall be entitled to pursue full payment thereof.

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) the Collateral is owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, encumbrances, or to the knowledge of the Debtor infringements by third parties (hereinafter collectively called "**Encumbrances**"), save for the Security Interest and those Encumbrances in accordance with the subordination provisions set forth in Section 2.12 of the SPA, such other interests incurred in the Debtor's ordinary course of business, or such other interests as may be hereafter approved in writing by Lenders, prior to their creation or assumption (the "**Primary Interests**");
- (b) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by Debtor to Lenders from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where

applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against Lenders, whether in any proceeding to enforce Collateral or otherwise; and

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

#### **4. COVENANTS OF THE DEBTOR**

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and the Primary Interests, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of Lenders; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use Money available to Debtor;
- (b) to notify Lenders promptly of:
  - (i) any material change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
  - (ii) the details of any material claims or litigation affecting Debtor or Collateral,
  - (iii) any material loss or damage to Collateral,
  - (iv) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
  - (v) the return to or repossession by Debtor of Collateral;
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by Lenders of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

- (f) to insure Collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as Lenders may from time to time direct, with loss payable to Lenders and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to Lenders on request;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at Lenders' reasonable request so as to indicate the Security Interest;
- (i) to deliver to Lenders from time to time promptly upon request, certificates of insurance relating to the Collateral, the books and records relating to the Collateral and such information concerning Collateral, the Debtor and Debtor's business and affairs as Lenders may reasonably request.

#### **5. USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained herein and Clause 6 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that Lenders shall have the right at any time on reasonable notice and from time to time to verify the existence and state of the Collateral.

#### **6. COLLECTION OF DEBTS**

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

#### **7. INCOME FROM AND INTEREST ON COLLATERAL**

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if Lenders receives any such Money prior to default, Lenders shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to Lenders.

## 8. DISPOSITION OF MONEY

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

## 9. EVENTS OF DEFAULT

The happening of any of the following events or conditions, which continues for a period of 5 days following receipt of notice by the Debtor from the Lenders, shall constitute default hereunder which is herein referred to as "**default**":

- (a) the nonpayment when due, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and Lenders;
- (b) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise;
- (c) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (d) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (e) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (f) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;
- (g) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to Lenders to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement,

warranty or audit report, which change shall not have been disclosed to Lenders at or prior to the time of such execution.

## **10. ACCELERATION**

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

## **11. REMEDIES**

- (a) Upon default, Lenders may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of Lenders or not, to be a receiver or receivers (hereinafter called a "**Receiver**", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not Lenders, and Lenders shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Lenders, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Lenders. Every such Receiver may, in the discretion of Lenders, be vested with all or any of the rights and powers of Lenders.
- (b) Upon default, Lenders may, either directly or through their agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) Lenders may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, Lenders may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Lenders may seem reasonable.

- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Lenders and in addition to any other rights Lenders may have at law or in equity, Lenders shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that Lenders shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, Lenders shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in Lenders' possession and shall not be liable or accountable for failure to do so.
- (e) Debtor acknowledges that Lenders or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from Lenders or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by Lenders or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Lenders or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) Lenders will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.

## **12. MISCELLANEOUS**

- (a) Debtor hereby authorizes Lenders to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as Lenders may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest.
- (b) Without limiting any other right of Lenders, whenever Indebtedness is immediately due and payable or Lenders has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), Lenders may, in their sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by Lenders in any capacity, whether or not due, and Lenders shall be deemed to have exercised such right to set

off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Lenders' records subsequent thereto.

- (c) Lenders may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as Lenders may see fit without prejudice to the liability of Debtor or Lenders' right to hold and realize the Security Interest. Furthermore, Lenders may demand, collect and sue on Collateral in either Debtor's or Lenders' name, at Lenders' option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (d) No delay or omission by Lenders in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Lenders may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of Lenders granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) Debtor waives protest of any Instrument constituting Collateral at any time held by Lenders on which Debtor is in any way liable and, subject to Clause 11(g) hereof, notice of any other action taken by Lenders.
- (f) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against Lenders.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Any notice, consent or approval required or permitted to be given in connection with this Security Agreement (in this section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail. Any Notice delivered or transmitted shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a business day, then the Notice shall be deemed to have been given and received on the next business day.

- (i) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Lenders and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Lenders shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by Lenders, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- (j) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate Lenders to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to Lenders.
- (o) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "**Debtor**" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby
  - (i) shall extend to "**Collateral**" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "**Collateral**" thereafter owned or acquired by the amalgamated company, and
  - (ii) shall secure the "**Indebtedness**" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to Lenders at the time of amalgamation and any "**Indebtedness**" of the amalgamated company to Lenders thereafter arising. The Security Interest shall attach to "**Collateral**" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "**Collateral**" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.



- (p) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Alberta, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

**13. COPY OF AGREEMENT**

- (a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.
- (b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by Lenders or of any verification statement with respect to any financing statement or financing change statement registered by Lenders. (Applies in all P.P.S.A. Provinces except Ontario).

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

**BUSINESS DEBTOR**  
2270683 Alberta Ltd.

c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba R3A 1G8  
Attention: Shane Daerden

**IN WITNESS WHEREOF** Debtor has executed this Security Agreement this 25 day September, 2020.

**2270683 ALBERTA LTD.**

Per:   
Name Shane Daerden  
Title President

I have authority to bind the Corporation.

(Corporate Seal)

**THIS IS EXHIBIT "46" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**

  
\_\_\_\_\_  
**Kaitlin Ward, Barrister & Solicitor**

## PROMISSORY NOTE

**TO: Garth and Gail White**  
(the "Lender")

FOR VALUE RECEIVED, **10026922 Manitoba Ltd. & 10026923 Manitoba** (the "Borrower") hereby promises to pay to the Lender at the Lender's address above (or at such other address which the Lender notifies the Borrower in writing), the Principal Sum (as defined in Section 1.02 below) together with interest thereon or on the outstanding balance thereof calculated from the Effective Date (as defined in Section 1.01 below) at the Interest Rate (as defined in Section 1.03 below) calculated not in advance, all in accordance with the terms and conditions of this note.

The following are the terms and conditions of this note:

### ARTICLE 1 - COMMERCIAL TERMS

- 1.01 Effective Date. "Effective Date" means December 1, 2018;
- 1.02 Principal Sum. "Principal Sum" means **250,000.00 (\$250,000.00) DOLLARS** in Canadian funds.
- 1.03 Interest Rate. "Interest Rate" means a rate of **NIL**
- 1.04 Repayment of Principal Sum. The Principal Sum shall be repaid in equal annual payments as follows:
  - \$50,000.00 – December 1, 2019;
  - \$50,000.00 – December 1, 2020;
  - \$50,000.00 – December 1, 2021;
  - \$50,000.00 – December 1, 2022;
  - \$50,000.00 – December 1, 2023;
- 1.06 Prepayment. The Borrower shall be entitled to prepay the whole or any part of the indebtedness evidenced by this note at any time and from time to time without notice, bonus or penalty of any kind whatsoever.
- 1.07 Costs of Enforcement. In the event of default in payment of the Principal Sum when due, the Borrower shall pay, in addition, the reasonable legal costs of the Lender incurred by the Lender to enforce payment under this note.
- 1.08 Payment. The Borrower's obligation for payment under this note is unconditional and is not subject to any right of set-off or deduction, whether against the Lender or any

guarantor or endorser.

1.09 Negotiable Instrument. This note negotiable and may be assigned by the Lender at any time and for greater certainty may be assigned and endorsed to any beneficiary of the Lender.

## ARTICLE 2 - OTHER TERMS

2.01 Application of Payments. Payments received by the Lender hereunder shall be applied first towards the Lender's costs of enforcement as may be required by section 1.07 hereof, and secondly to interest then due or accrued, and thirdly towards principal.

2.02 Presentment. The Borrower and every guarantor and endorser (collectively, the "**Obligors**") hereby waive presentment, demand, notice of dishonour, notice of protest, notice of non-payment and any other notice required by law to be given to the Borrower, or any Obliger on this note in connection with the delivery, acceptance, performance, default or enforcement of this note and hereby consent to any delays, extensions, renewals or other modifications of this note, any waivers of any term or condition of this note, the release of the Borrower or any Obliger under this note or of any security given by the Borrower or any Obliger in respect of the Borrower's or any Obliger's obligations under this note (by the Lender or any other person), and hereby agree that any action by the Lender or any other person or failure to act by the Lender or any other person shall not affect or impair the obligations of any of the Obligors, or be construed as being a waiver by the Lender or that other person of its rights under this note.

**2.03: Prior financing: The Borrower acknowledges that any funds advanced by the borrowers primary lender shall not exceed the sum of \$530,000.00 without the prior written consent of the lender.**

## ARTICLE 3 - GENERAL TERMS

3.01 Headings. All headings in this note are inserted for convenience of reference only and shall not affect the construction and interpretation of this note.

3.02 Enurement. This note and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective successors and permitted assigns.

3.03 Applicable Law. This note shall be governed by and construed in accordance with the laws of the Province of Manitoba. The parties hereby attorn to the jurisdiction of the courts of the Province of Manitoba; PROVIDED THAT the Lender may enforce his rights under this note in such provinces, states and countries as it deems fit, all parties hereto hereby for such enforcement purposes attorning to the jurisdiction of such provinces, states and countries.

3.04 Time of Essence. Time shall be of the essence of this note.

3.05 Interpretation. Words in the singular shall include the plural and words in the masculine gender shall include feminine and neuter genders, and vice versa, where the context so

requires.

DATED at Town of Neepawa, Manitoba as of this \_\_\_\_\_ day of November , 2018

**10026922 Manitoba Ltd.**

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

**10026923 Manitoba Ltd.**

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

**THIS IS EXHIBIT "47" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**1. MORTGAGE TYPE**

- Mortgage
  Mortgage of Mortgage
  Encumbrance
  Mortgage of Encumbrance

**2. MORTGAGOR**

Individual

Corporation

Corporation Name

10026923 Manitoba Ltd.

Signed pursuant to a  power of attorney  court order

Executor, Administrator, Trustee

Government and Government Agency

**3. LAND DESCRIPTION AND PRIOR INSTRUMENTS**

Land 1

All or part of a title

Current title number  Issuing from title number

1884679/5

All  Part

Land Description

Parcel 1: Parcel B, Plan 5203 NLTO in SW 1/4 32-14-15 WPM Exc: An undivided one-half interest in all mines and & minerals in Transfer 95792 NLTO ;

Parcel 2: At Neepawa and Being: Parcel B, Plan 5203 NLTO in SE 1/4 32-14-15 WPM Subject to Special Reservations as to Minerals and other matters as particularly defined in the Original Grant from the Crown.

All units in a condominium plan

All lots, blocks and parcels in a plan

Subject to the following instruments

Currently on title

Instrument Number

1028093/5

1029384/5

1029740/5

Registered prior in series

Instrument Type

MORTGAGE

Land 2

**For your protection, ensure the following before signing:**

1. The exact image and the barcode below, are present on all pages.



2. The 32 character control number below is present and identical on all pages.

**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**

3. All 5 Mortgage content pages are present.

- All or part of a title
  - Current title number  Issuing from title number
  - All  Part

Land Description

Parcel A, Plan 5203 NLTO Exc Firstly: The Sly 300 feet and Secondly: An undivided one half interest in all Mines and Minerals (other than coal) in Transfer 95792 NLTO in SW 1/4 32-14-15 WPM.

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title
- Registered prior in series

Instrument Type

MORTGAGE

Land 3

- All or part of a title
  - Current title number  Issuing from title number
  - All  Part

Land Description

Lot 2, Plan 52644 NLTO Exc: An undivided one-half interest in all mines and minerals in transfer 95792 NLTO in SW 1/4 32-14-15 WPM.

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title

Instrument Number

1094591/5

- Registered prior in series

Instrument Type

MORTGAGE

4. MORTGAGEE

For your protection, ensure the following before signing:

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**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**

3. All 5 Mortgage content pages are present.



Individual i Full legal name required

Given Name:  Middle Names:  Surname:  Suffix:

Address for Service:

City:  Province:  Country:  Postal Code:

Share or fractional interest of the mortgage monies contributed  %

Given Name:  Middle Names:  Surname:  Suffix:

Address for Service:

City:  Province:  Country:  Postal Code:

Share or fractional interest of the mortgage monies contributed  %

- Corporation
- Executor, Administrator
- Government and Government Agency
- The mortgagees hold the mortgage jointly

Details of any agreement for sharing the proceeds of the mortgage

**5. TERMS AND PAYMENT PROVISIONS**

Mortgage Description:

Mortgage Principal Amount:

Standard Charge Mortgage Terms

Deposited at land titles as number

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**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**
- All 5 Mortgage content pages are present.





4350465/1

and name Credit Union Central of Manitoba Limited

Not applicable

Loan Description

[Empty text box for Loan Description]

Loan Principal Amount

[Empty text box for Loan Principal Amount]

Canadian Dollar (CAD)

Mortgage secures a revolving credit up to the loan principal amount

Payment Details

Prime is defined as

[Empty text box for Prime is defined as]

Scheduled Payments

Payable on Demand

**Additional Provisions**

Covenantor will sign

Guarantee Mortgage

Collateral Mortgage

Details

This is collateral security to a Promissory Note of even date.

Secures present and future liabilities

Secures current or running account

Prepayment terms

Details

This mortgage is non-assignable;  
This mortgage is open for prepayment at any time, without notice or bonus;  
Notwithstanding the definition of the Mortgagee in the Standard Charge Mortgage Terms No. 4350465/1, it is understood and agreed that any reference to the Mortgagee in the Standard Charge Terms shall mean "William Garth White and Gail Ann White".

Other

Details

The Mortgage will be a second charge Mortgage registered second to the Mortgagor in favor of the Royal Bank of Canada.

**6. THE FARM LANDS OWNERSHIP ACT EVIDENCE**

The registration of this instrument does not contravene the provisions of *The Farm Lands Ownership Act* because

**For your protection, ensure the following before signing:**

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2. The 32 character control number below is present and identical on all pages.

**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**

3. All 5 Mortgage content pages are present.



- The within land is not farm land as defined in *The Farm Lands Ownership Act*.
- All of the within lands are farm land and are being mortgaged pursuant to a *bona fide* debt obligation.
- Some of the within lands are farm land and the farm lands are being mortgaged pursuant to a *bona fide* debt obligation.
- Other

**7. INSTRUMENT PREPARED BY**

Given Name  Middle Names  Surname  Suffix

Company

Telephone +    Extension  E-Mail

File Number  Description

**Unlock Form and Remove Signature Pages**

**i** Once you have clicked the Lock Form and Create Signature Pages button, you will not be able to change the registration form. You will be able to fill in certain areas in the signature pages before printing.

If you want to change the registration form once the signature pages have been created, you must click the Unlock Form and Remove Signature Pages button. If you do this, you will lose all changes made to the signature pages. Any signature pages already printed will be invalid and will have to be regenerated, reprinted and, where they have already been signed, resigned.

**For your protection, ensure the following before signing:**

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2. The 32 character control number below is present and identical on all pages.  
**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**
3. All 5 Mortgage content pages are present.





SIGNATURES AND EVIDENCE

1. The mortgagor is or is entitled to be the owner of the land.
2. The mortgagor hereby mortgages to the mortgagee its interest in the land as security for performance of all its obligations herein.
3. The mortgagor promises to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the age of majority.
6. Additional evidence

[Empty box for additional evidence]

Mortgagor 10026923 Manitoba Ltd.

Signature  Date

Name  (YYYY-MM-DD)

Employee     Officer     Director

Position

***I am an employee of the corporation and have authority to bind same***

WITNESS

Signature  Address

Name

This person witnessed all signatures by 10026923 Manitoba Ltd.

Document witnessed inside Canada by

Practising lawyer

Notary public in the Province of British Columbia or Quebec

A person entitled to administer oaths inside or outside of Manitoba

District Registrar approval required

Title

Expires on

Does not expire

(YYYY-MM-DD)

Document witnessed outside of Canada by a person entitled to administer oaths outside of Manitoba

For your protection, ensure the following before signing:

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**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**

3. All 5 Mortgage content pages are present.



Title

Expires on

(YYYY-MM-DD)

Does not expire

Notary certificate under seal attached

**WHO MAY BE A WITNESS**

Only those persons specified in the section 72.4 of *The Real Property Act* may act as a witness to this document.

**NOTICE TO WITNESSES**

By signing as witness you confirm that the person whose signature you witnessed:

- 1. Is either personally known to you, or that their identity has been proven to you.

AND

- 2. That they have acknowledged to you that they:  
(a) are the person named in this instrument;  
(b) have attained the age of majority in Manitoba; and  
(c) are authorized to execute this instrument.

By virtue of section 194 of *The Real Property Act*, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to *The Manitoba Evidence Act*.

**The Mortgage Act provides that the mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every 12 months, or as needed for pay off or sale.**

SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE. In this document "I" or "me" is to be read as including all mortgagors, encumbrances, mortgagees and encumbrancers whether individual or corporate.

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- 3. All 5 Mortgage content pages are present.

**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**



1. MORTGAGE TYPE

- Mortgage
- Mortgage of Mortgage
- Encumbrance
- Mortgage of Encumbrance

2. MORTGAGOR

- Individual
- Corporation

Corporation Name

10026923 Manitoba Ltd.

Signed pursuant to a  power of attorney  court order

- Executor, Administrator, Trustee
- Government and Government Agency

3. LAND DESCRIPTION AND PRIOR INSTRUMENTS

Land 1

- All or part of a title
  - Current title number  Issuing from title number
- 1884679/5  All  Part

Land Description

Parcel 1: Parcel B, Plan 5203 NLTO in SW 1/4 32-14-15 WPM Exc: An undivided one-half interest in all mines and & minerals in Transfer 95792 NLTO ;

Parcel 2: At Neepawa and Being: Parcel B, Plan 5203 NLTO in SE 1/4 32-14-15 WPM Subject to Special Reservations as to Minerals and other matters as particularly defined in the Original Grant from the Crown.

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title

Instrument Number

1028093/5

1029384/5

1029740/5

- Registered prior in series

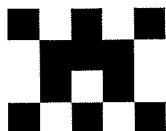
Instrument Type

MORTGAGE

Land 2

For your protection, ensure the following before signing:

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3. All 5 Mortgage content pages are present.



- All or part of a title
    - Current title number
    - Issuing from title number
- 2336835/5  All  Part

Land Description

Parcel A, Plan 5203 NLTO Exc Firstly: The Sly 300 feet and Secondly: An undivided one half interest in all Mines and Minerals (other than coal) in Transfer 95792 NLTO in SW 1/4 32-14-15 WPM.

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title
- Registered prior in series

Instrument Type

MORTGAGE

Land 3

- All or part of a title
    - Current title number
    - Issuing from title number
- 2588690/5  All  Part

Land Description

Lot 2, Plan 52644 NLTO Exc: An undivided one-half interest in all mines and minerals in transfer 95792 NLTO in SW 1/4 32-14-15 WPM.

- All units in a condominium plan
- All lots, blocks and parcels in a plan

Subject to the following instruments

- Currently on title

Instrument Number

1094591/5

- Registered prior in series

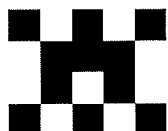
Instrument Type

MORTGAGE

4. MORTGAGEE

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3. All 5 Mortgage content pages are present.





Individual  Full legal name required

Given Name: William Middle Names: Garth Surname: White Suffix:

Address for Service

Box 1395

City: Neepawa Province: Manitoba Country: CANADA Postal Code: ROJ 1H0

Share or fractional interest of the mortgage monies contributed %

Given Name: Gail Middle Names: Ann Surname: White Suffix:

Address for Service

Box 1395

City: Neepawa Province: Manitoba Country: CANADA Postal Code: ROJ 1H0

Share or fractional interest of the mortgage monies contributed %

- Corporation
- Executor, Administrator
- Government and Government Agency
- The mortgagees hold the mortgage jointly

Details of any agreement for sharing the proceeds of the mortgage

[Empty text box for details of agreement]

5. TERMS AND PAYMENT PROVISIONS

Mortgage Description: Vendor Take Back Mortgage

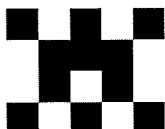
Mortgage Principal Amount: 250,000.00 Canadian Dollar (CAD)

Standard Charge Mortgage Terms

Deposited at land titles as number

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- All 5 Mortgage content pages are present.







4350465/1

and name Credit Union Central of Manitoba Limited

Not applicable

Loan Description

[Empty text box for Loan Description]

Loan Principal Amount

[Empty text box for Loan Principal Amount]

Canadian Dollar (CAD)

Mortgage secures a revolving credit up to the loan principal amount

Payment Details

Prime is defined as

[Empty text box for Prime is defined as]

Scheduled Payments

Payable on Demand

Additional Provisions

Covenantor will sign

Guarantee Mortgage

Collateral Mortgage

Details

This is collateral security to a Promissory Note of even date.

Secures present and future liabilities

Secures current or running account

Prepayment terms

Details

This mortgage is non-assignable;  
This mortgage is open for prepayment at any time, without notice or bonus;  
Notwithstanding the definition of the Mortgagee in the Standard Charge Mortgage Terms No. 4350465/1, it is understood and agreed that any reference to the Mortgagee in the Standard Charge Terms shall mean "William Garth White and Gail Ann White".

Other

Details

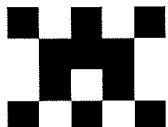
The Mortgage will be a second charge Mortgage registered second to the Mortgagor in favor of the Royal Bank of Canada.

6. THE FARM LANDS OWNERSHIP ACT EVIDENCE

The registration of this instrument does not contravene the provisions of *The Farm Lands Ownership Act* because

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- All of the within lands are farm land and are being mortgaged pursuant to a *bona fide* debt obligation.
- Some of the within lands are farm land and the farm lands are being mortgaged pursuant to a *bona fide* debt obligation.
- Other


**7. INSTRUMENT PREPARED BY**

Given Name  Middle Names  Surname  Suffix

Company

Telephone +    Extension  E-Mail

File Number  Description

 If you want to change the registration form now that the signature pages have been created, you must unlock the electronic version of the form and remove the signature pages. If you do this, you will lose all changes made to the signature pages. Any signature pages already printed will be invalid and will have to be regenerated, reprinted and, where they have already been signed, resigned.

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1. The exact image and the barcode below, are present on all pages.
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SIGNATURES AND EVIDENCE

1. The mortgagor is or is entitled to be the owner of the land.
2. The mortgagor hereby mortgages to the mortgagee its interest in the land as security for performance of all its obligations herein.
3. The mortgagor promises to pay the principal amount and interest and all other charges and money hereby secured and to be bound by all the terms herein.
4. I acknowledge receipt of a copy of this instrument and all of the terms herein.
5. I am of the age of majority.
6. Additional evidence

[Empty box for additional evidence]

Mortgagor 10026923 Manitoba Ltd.

Signature

Date 2018-11-28  
(YYYY-MM-DD)

Name Steve Paerden

Employee  Officer  Director

Position Manager

I am an employee of the corporation and have authority to bind same

WITNESS

Signature

Address 1107 Arhms Lp  
30<sup>th</sup> floor - 360 Main St  
Winnipeg, MB R3C 4G1

Name Steve Foreman

This person witnessed all signatures by 10026923 Manitoba Ltd.

Document witnessed inside Canada by

Practising lawyer

Notary public in the Province of British Columbia or Quebec

A person entitled to administer oaths inside or outside of Manitoba

District Registrar approval required

Title [Empty box]

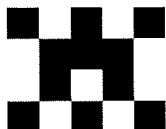
Expires on [Empty box]  
(YYYY-MM-DD)

Does not expire

Document witnessed outside of Canada by a person entitled to administer oaths outside of Manitoba

For your protection, ensure the following before signing:

1. The exact image and the barcode below, are present on all pages.



2. The 32 character control number below is present and identical on all pages.

EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E

3. All 5 Mortgage content pages are present.



Title

Expires on   
(YYYY-MM-DD)

Does not expire

Notary certificate under seal attached

**WHO MAY BE A WITNESS**

Only those persons specified in the section 72.4 of *The Real Property Act* may act as a witness to this document.

**NOTICE TO WITNESSES**

By signing as witness you confirm that the person whose signature you witnessed:

- 1. Is either personally known to you, or that their identity has been proven to you.

AND

- 2. That they have acknowledged to you that they:
  - (a) are the person named in this instrument;
  - (b) have attained the age of majority in Manitoba; and
  - (c) are authorized to execute this instrument.

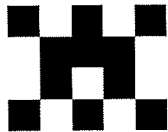
By virtue of section 194 of *The Real Property Act*, any statement set out in this document and signed by the party making the statement has the same effect and validity as an oath, affidavit, affirmation or statutory declaration given pursuant to *The Manitoba Evidence Act*.

**The Mortgage Act provides that the mortgagor can obtain free of charge, from the mortgagee, a statement of the debts secured by this mortgage once every 12 months, or as needed for pay off or sale.**

SINGULAR INCLUDES PLURAL AND VICE VERSA WHERE APPLICABLE. In this document "I" or "me" is to be read as including all mortgagors, encumbrances, mortgagees and encumbrancers whether individual or corporate.

**For your protection, ensure the following before signing:**

- 1. The exact image and the barcode below, are present on all pages.
- 2. The 32 character control number below is present and identical on all pages.  
**EE4E-7851-A910-49A8-87EA-DE5A-5316-2D1E**
- 3. All 5 Mortgage content pages are present.



# Document Review



Registration #	Type	New Titles
1135536/5	Mortgage	
Notes		
1 2018-12-7	Patricia Underwood	Box 3 land 2 - 1029384 already discharged, 1029740 is a CREQ - pass

# THE REAL PROPERTY ACT STANDARD CHARGE MORTGAGE TERMS

FILED BY: Credit Union Central of Manitoba Limited  
FILING DATE:  
FILING NUMBER:

4880098/1

2017-08-30



The following Standard Charge Mortgage Terms ("SCMT") are included in every mortgage which refers to this set of terms by its name and filing number, as provided in *The Real Property Act*.

*DEPOSIT IN A/C*

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**2. DEFINITIONS AND INTERPRETATION**

All terms used in this set of SCMT which are defined in *The Real Property Act* have the same meaning as they do in *The Real Property Act* unless expressly varied by this document. Not all terms defined and not all provisions contained in this set of SCMT will apply to every mortgage. There are some terms and provisions that will only apply to a Fixed Rate Mortgage, a Variable Rate Mortgage, a Capped Rate Mortgage or a Multi-Purpose Mortgage, as the case may be.

In these SCMT and in every mortgage which includes them:

- (a) **ACT** means *The Real Property Act*, C.C.S.M. c. R30, and any amendments to it.
- (b) **BALANCE DUE DATE** means the date shown in Box 5, if any, on which the outstanding balance of the Loan Amount is due and payable.
- (c) **BORROWER, YOU, YOUR** means the person or corporation who is, or is entitled to be, the registered owner of the Land, and who is described in Box 1 and has signed on the Signature Page as mortgagor. Borrower includes your Successors and where the context requires, any Covenantor.
- (d) **BOX** means a box, designated by its number, on the Mortgage Document. Where any information contained in a Box is amended by agreement, a reference in these SCMT to information in a Box will include the information contained in any amending agreement.
- (e) **CAPPED RATE** means the maximum interest rate that you will be charged under the Mortgage up to and including the Capped Rate Expiry Date. The Capped Rate is as set out in Box 5 – Other Details.
- (f) **CAPPED RATE EXPIRY DATE** means the date after which the Credit Union's commitment to charge interest at no greater than the Capped Rate shall have no further effect. The Capped Rate Expiry Date is as set out in Box 5 – Other Details.
- (g) **CAPPED RATE MORTGAGE** means, if Box 5 – Mortgage Description indicates that the mortgage type is "Capped Rate", the mortgage you have given to us under the Act and Regulations to secure payment of the Loan Amount and to secure performance of all of your other obligations under this Mortgage. It includes the Mortgage Document, these SCMT, and any future renewals, amendments, extensions or any replacement or substitutional forms which may be prescribed.
- (h) **CMHC** means Canada Mortgage and Housing Corporation and its successors.
- (i) **COVENANTOR** means any person who, although not a registered owner of the Land has signed the Mortgage Document.
- (j) **CREDIT UNION, WE, OUR, US** means the mortgagee set out in the Mortgage Document and includes its Successors.
- (k) **EQUIVALENT RATE** means, in the case of a Fixed Rate Mortgage, the interest rate calculated weekly, bi-weekly, semi-monthly, monthly, quarterly or annually in accordance with payments made as shown under the Payment Frequency set out in Box 5 of the Mortgage Document that is equal to the Interest Rate calculated semi-annually not in advance. The Equivalent Rate at the date of the Mortgage is as set out in Box 5 – Other Details. As the Interest Rate changes or if you change the frequency of your periodic payments, we will advise you of the new Equivalent Rate.

- (l) **FIXED RATE MORTGAGE** means, if Box 5 – Mortgage Description indicates that the mortgage type is "Fixed Rate", the mortgage you have given to us under the Act and Regulations to secure payment of the Loan Amount and to secure performance of all of your other obligations under this Mortgage. It includes the Mortgage Document, these SCMT and any future renewals, amendments, extensions or any replacement or substitutional forms which may be prescribed.
- (m) **INTEREST ADJUSTMENT DATE or I.A.D.** means the date set out in Box 5 (in the case of a Fixed Rate Mortgage, Variable Rate Mortgage or Capped Rate Mortgage), as amended from time to time and is the date on which you agree to pay interest accrued from the date of advance of funds. If there is a change to the I.A.D., we will notify you of the amended date. In the case of a Multi-Purpose Mortgage or a mortgage payable on demand, the I.A.D. means the date of the first advance of funds or as may be set out in a Loan Document.
- (n) **INTEREST RATE** means:
- (i) in the case of a Fixed Rate Mortgage, the interest rate as set out in Box 5 as amended from time to time. It is calculated semi-annually not in advance as set out in Box 5
  - (ii) in the case of a Variable Rate Mortgage or a Capped Rate Mortgage, the variable interest rate as set out in Box 5; and
  - (iii) in the case of a Multi-Purpose Mortgage, the interest rates as set out in Loan Documents.
- (o) **LAND** means the lands and premises described in Box 3 or in an amending agreement between us. It includes the land and all buildings, plant, machinery, fixtures, structures, and improvements whether fixed or otherwise, present or future and includes all crops and trees and products of the soil, and all mines and minerals and sand and gravel now or hereafter forming part of the land, and together with all easements, covenants, powers, privileges and other rights now or hereafter attached to or forming part of or benefiting the land. In the case of a leasehold title it means the lease, except for the last day of the term of the lease and any other right, interest or benefit set out in the lease. In the case of a condominium unit, it means the unit and the undivided interest in the common elements and the right to any exclusive common elements assigned to the unit pursuant to *The Condominium Act* or the Declaration or By-Laws.
- (p) **LOAN AMOUNT** means:
- (i) in the case of a Fixed Rate Mortgage, Variable Rate Mortgage or Capped Rate Mortgage, the total amount you owe us at any time. It includes principal, interest and all Other Charges secured by this Mortgage.
  - (ii) in the case of a Multi-Purpose Mortgage, the total amount you owe us at any time under the Loan Documents. It includes principal, interest and all Other Charges secured by this Mortgage.
- (q) **LOAN DOCUMENT or LOAN DOCUMENTS** means in the case of a Multi-Purpose Mortgage, (a) each and every promissory note or notes which may be delivered by you or any other person assuming the indebtedness hereby secured and accepted by us by way of renewal of, novation or substitution for the same, or as a supplement thereto and/or (b) each and every line of credit agreement you have or may hereafter enter into with us, as amended from time to time, under which we have established or will establish a line of credit in your favour; and/or (c) each and every guarantee you have or may hereafter enter into with us on behalf of a principal debtor; (d) each and every indemnity which you may have provided to us in connection with any obligation owed to us and/or (e) each and every existing or future other agreement between us or other instrument or document pursuant to which you undertake payment or performance of any one or more obligations to us, including a Loan Agreement – Consumer (For Use with Insured Multi-Purpose Mortgage) or any other commitment letter or offer to provide financing. In all cases, Loan Documents shall include any amendments, extensions, replacements and supplements.
- (r) **MORTGAGE** means the mortgage you have given to us under the Act and Regulations to secure payment of the Loan Amount and to secure performance of all of your other obligations under the mortgage. It includes the Mortgage Document, these SCMT and any future renewals, amendments or extensions. It also includes any amendments and replacement or substitutional forms which may be prescribed.
- (s) **MORTGAGE DOCUMENT** means the mortgage form prescribed by the Act and Regulations and includes all amendments and revisions to it.
- (t) **MORTGAGE PRINCIPAL AMOUNT** means:
- (i) in the case of a Fixed Rate Mortgage, Variable Rate Mortgage or Capped Rate Mortgage, the principal amount originally secured by the Mortgage as may be set out in Box 5 or in an amending agreement between us.
  - (ii) in the case of a Multi-Purpose Mortgage, the original maximum principal amount as may be set out in Box 5, in the Loan Documents or in any amending agreements between us.
- (u) **MULTI-PURPOSE MORTGAGE** means, if Box 5 – Mortgage Description indicates that the mortgage type is "Multi-Purpose", the mortgage you have given to us under the Act and Regulations to secure payment of the Mortgage Principal Amount and to secure performance of all of your other obligations under this Mortgage. It includes the Mortgage Document, these SCMT and any amendments or any replacement or substitutional forms which may be prescribed.
- (v) **OTHER CHARGES** means all charges described in paragraph 16 of this document. Such Other Charges are added to the Mortgage Principal Amount, and they bear interest and are secured by the Mortgage in the same way as the Mortgage Principal Amount.
- (w) **PRIME RATE** is our base lending rate for variable rate or capped rate mortgages and may be referred to by any name as defined by us and will be described in Box 5. It is subject to change, as and when announced by us.
- (x) **REGULATIONS** means any Regulations made under the Act from time to time.
- (y) **SUCCESSORS** means heirs, executors, administrators, personal or legal representatives, successors and successors in title or name and assigns.
- (z) **TAXES** means all property taxes, rates, levies and assessments levied on the Land whatsoever (including local improvement levies and school taxes), and includes any charges collectible as taxes.
- (aa) **VARIABLE RATE MORTGAGE** means, if Box 5 – Mortgage Description indicates that the mortgage type is "Variable Rate", the mortgage you have given to us under the Act and Regulations to secure payment of the Loan Amount and to secure performance of all of your other obligations under this Mortgage. It includes the Mortgage Document, these SCMT and any future renewals, amendments, extensions or any replacement or substitutional forms which may be prescribed.

### 3. OPERATION OF MORTGAGE

#### 3.1 Mortgage Of Land

By signing the Mortgage, you agree to mortgage your entire interest in the Land, both present and future, to us as security for repayment of the Loan Amount and performance of other obligations under the Mortgage and the Loan Documents. This mortgaging is to extend to all interests in the Land acquired by any future owner while the Mortgage remains undischarged.

You may remain in possession of the Land as long as you make the payments and fulfill the obligations owed to the Credit Union under the Mortgage or the Loan Documents, as applicable.

#### 3.2 Continuing Security/Readvancement

- (a) **FIXED RATE MORTGAGE, VARIABLE RATE MORTGAGE OR CAPPED RATE MORTGAGE** If this Mortgage is a Fixed Rate Mortgage, Variable Rate Mortgage or Capped Rate Mortgage, the following terms apply:
- (i) This Mortgage shall operate as a continuing security for payment of all monies actually advanced from time to time by us to you and outstanding from time to time, and for payment of all your indebtedness and liability to us whether presently existing or hereafter incurred, and this Mortgage is intended by you and us to secure us in respect of any one or more loans and it shall operate as security for us notwithstanding that you may from time to time make payments to us and reduce or retire your indebtedness and liability, in whole or in part, on one or more occasions. Notwithstanding any payment on account of any of your indebtedness to us at any time, any further, new or fresh advance or advances will, together with interest and Other Charges be secured by this Mortgage notwithstanding the mortgaging or charging of the Land by any



intervening or intermediate mortgage, charge or encumbrance ("intervening interest") and the Mortgage will at all times hold priority over any such intervening interest. This Mortgage shall be and shall remain valid security for any and all subsequent advances or readvances by us.

- (ii) We may, as a condition of readvancement of funds, from time to time, require you to amend the Mortgage (including without limitation, the Interest Rate, the Land mortgaged, the Mortgage Principal Amount and repayment terms) by giving you a notice setting out the amendment. Any such notice may be given in accordance with paragraph 35. We may also require you to sign an amending agreement and if we do, the provisions of paragraph 28 of this document ("RENEWAL, AMENDMENT, EXTENSION") will apply.
- (iii) If a residential Fixed Rate Mortgage is insured by a mortgage default insurer, the following provisions apply to the amount of the indebtedness covered by it and it shall be referred to as the "CMHC Pool Eligible Loan":
  - (I) The Credit Union has the right at any time, both before and after the date of advance of the Loan Amount, without notice to you and without your consent, to sell, assign, syndicate or securitize any loan secured by this Mortgage to any other party or parties (each a "Holder") and in such event, the Holder(s) shall have all of the Credit Union's rights under this Mortgage, including the right to sell or assign the loan in turn, without affecting the Interest Rate or other terms of the loan. The Credit Union may, from time to time, in connection with the sale, assignment, syndication or securitization of a loan, or otherwise, appoint or designate a custodian or agent for a loan, which custodian or agent may be the registered mortgagee. The Borrower and each Covenantor, if any, and any guarantor, if any, acknowledge that such custodian or agent shall have no liability whatsoever to the Borrower or Covenantor, if any, and any guarantor in connection with the loan, being merely custodian or agent for us and/or the Holder.
  - (II) The Credit Union has the unrestricted right from time to time to appoint a third party to service or administer any part of the Loan Amount and to deal with the Borrower and each Covenantor, if any, and any guarantor, if any, in place of the Credit Union, provided that until the Credit Union gives notice of such appointment to you, the Borrower and each Covenantor, if any, and any guarantor, if any, shall continue to deal with the Credit Union in all matters pertaining to the servicing or administration of the Loan.
  - (III) If a CMHC Pool Eligible Loan is sold, assigned, syndicated or securitized, the following provisions shall apply:
    - A. Notwithstanding the readvancement provisions contained herein, there is no right of readvancement of monies repaid on account of the CMHC Pool Eligible Loan and all monies applied in reduction of the Loan Amount thereof shall permanently reduce the balance owing under the CMHC Pool Eligible Loan.
    - B. Notwithstanding the provisions contained herein stating that the mortgage shall secure all amounts owing from time to time by you to us, the only additions to the amount secured under the CMHC Pool Eligible Loan shall be interest accruing but unpaid and any costs incurred by us and that are, under the provisions hereof, *The Mortgage Act*, *The Real Property Act* or any other law, ordinance or regulation, allowed to be added to the Loan Amount.
- (b) MULTI-PURPOSE MORTGAGE If this Mortgage is a Multi-Purpose Mortgage, the following terms apply:
  - (i) This Multi-Purpose Mortgage shall operate as a continuing security for payment of all monies actually advanced from time to time by us to you or to any principal debtor where obligations are covered or secured by the Loan Documents and all other obligations from time to time owed by you to us outstanding from time to time under the Loan Documents. It is agreed that this Multi-Purpose Mortgage and the Loan Documents will operate as security notwithstanding that you may from time to time make payments to us and reduce or retire your indebtedness. Notwithstanding that at any time, any person or persons acquire any encumbrance, claim or other interest in or against the Land subsequent to the registration of this Multi-Purpose Mortgage in the land titles office, and any of your obligations have been paid or performed in whole or in part prior to or concurrently with the acquisition of any such other encumbrance, claim or other interest, and thereafter you undertake new or fresh obligations to us which are secured or covered by the Loan Documents and as secured by this Multi-Purpose Mortgage, this Multi-Purpose Mortgage shall, with respect to such new or fresh obligations, hold full priority over any such other encumbrance, claim or other interest to the maximum extent permitted by applicable law.
  - (ii) This Multi-Purpose Mortgage shall not operate as a merger of the Loan Documents hereby secured or affect or prejudice in any way our rights and powers thereunder. If the Loan Documents include a guarantee, the taking of this Multi-Purpose Mortgage shall not operate as a merger of our remedies for payment of the indebtedness of any principal debtor referred to in the Loan Document or of our remedies pursuant to the Loan Document, or pursuant to any other present or future security held by us, and notwithstanding this Multi-Purpose Mortgage and anything herein contained, the said remedies shall remain intact and be capable of enforcement against any principal debtor and you and all other persons liable in respect thereof in the same manner and to the same extent as if this Multi-Purpose Mortgage had not been executed, and this Multi-Purpose Mortgage is and shall be continuing security to us for payment of the amount of the said liability pursuant to the Loan Document and interest thereon.
  - (iii) This Multi-Purpose Mortgage is taken in addition to and not in substitution for any other security now or hereafter taken by us with respect to advances made to you or advances or other value made to any one or more principal debtor and each and every right, remedy and power granted to us hereunder and pursuant to security documents taken by us in respect to the said advances shall be cumulative and shall be in addition to the right or power herein specifically granted or now or hereafter existing in equity or, at law, by virtue of statute or otherwise from time to time concurrently or independently and as often and in such order as we may deem expedient. Any failure or delay on our part in exercising any such right or power or any abandonment or discontinuance of steps taken to enforce the same shall not operate as a waiver thereof or affect our right thereafter to exercise the same, and any single or partial exercise of any such right or power shall not preclude any other or further exercise thereof or the exercise of any other right or power.
  - (iv) Any and all payments made in respect of any indebtedness hereby secured and the monies or other proceeds realized from any securities held therefor (including this Multi-Purpose Mortgage) may be applied and re-applied notwithstanding any previous application on such part or parts of the indebtedness pursuant to the Loan Documents as we may see fit.
  - (v) If the Loan Documents include a guarantee, for the purposes of establishing the priority of the security constituted by this Multi-Purpose Mortgage, value shall be deemed to have been advanced under this Multi-Purpose Mortgage at the respective times when value is advanced to or for the account of the principal debtor whose obligations are secured or covered by the Loan Document, and it is agreed that value will not be deemed to have been advanced only at the time when the principal debtor defaults in the payment or performance of the principal debtor's obligations to us, or at the time when we make demand upon you for satisfaction of the principal debtor's obligations under the Loan Document or otherwise.
  - (vi) If the Loan Document relates to a residential loan that is insured by a mortgage default insurer, the following provisions apply to the amount of the indebtedness covered by that Loan Document and that loan shall be referred to as the "CMHC Pool Eligible Loan":
    - (I) The Credit Union has the right at any time, both before and after the date of advance of the Loan Amount, without notice to you and without your consent, to sell, assign, syndicate or securitize any loan secured by this Mortgage to any other party or parties (each a "Holder") and in such event, the Holder(s) shall have all of the Credit Union's rights under this Mortgage, including the right to sell or assign the loan in turn, without affecting the interest Rate or other terms of the loan. The Credit Union may, from time to time, in connection with the sale, assignment, syndication or securitization of a loan, or otherwise, appoint or designate a custodian or agent for a loan, which custodian or agent may be the registered mortgagee. The Borrower and each Covenantor, if any, and any guarantor, if any, acknowledge that such custodian or agent shall have no liability whatsoever to the Borrower or Covenantor, if any, and any guarantor in connection with the loan, being merely custodian or agent for us and or the Holder.
    - (II) The Credit Union has the unrestricted right from time to time to appoint a third party to service or administer any part of the Loan Amount and to deal with the Borrower and each Covenantor, if any, and any guarantor, if any, in place of the Credit Union, provided that until the Credit Union gives notice of such appointment to you, the Borrower and each Covenantor, if any, and any guarantor, if any, shall continue to deal with the Credit Union in all matters pertaining to the servicing or administration of the Loan.
    - (III) If a CMHC Pool Eligible Loan is sold, assigned, syndicated or securitized, the following provisions shall apply:
      - A. Notwithstanding the readvancement provisions contained herein, there is no right of readvancement of monies repaid on account of the CMHC Pool Eligible Loan and all monies applied in reduction of the Loan Amount thereof shall permanently reduce the balance owing under the CMHC Pool Eligible Loan.

- B. Notwithstanding the provisions contained herein stating that the mortgage shall secure all amounts owing from time to time by you to us, the only additions to the amount secured under the CMHC Pool Eligible Loan shall be interest accruing but unpaid and any costs incurred by us and that are, under the provisions hereof, *The Mortgage Act*, *The Real Property Act* or any other law, ordinance or regulation, allowed to be added to the Loan Amount.
- C. The CMHC Pool Eligible Loan shall have priority of payment, collection, enforcement and realization over any other amounts owed by you to us under any other Loan Document.
- D. If a CMHC Pool Eligible Loan is assigned to CMHC as part of a CMHC's NHA MBS Program, no further monies may be advanced by us under any Loan Document so long as the CMHC Pool Eligible Loan is part of the CMHC's NHA MBS Program.
- E. If the total amount of all loans secured under the Mortgage, in the reasonable opinion of the Credit Union, is less than 80% of the value of the Land, then upon default hereunder, the CMHC Pool Eligible Loan will have priority over any other loan also secured under this Mortgage as to payment, collection, enforcement and realization.
- F. If either (a) the Credit Union has included the CMHC Pool Eligible Loan in a pool of mortgages that are securitized under CMHC's NHA MBS Program or (b) in the Credit Union's reasonable opinion the total amount of all loans secured under the Mortgage is equal to or greater than 80% of the value of the Land, then the CMHC Pool Eligible Loan is deemed to be the only loan secured by the Mortgage, with the result that (i) any other existing loans purporting to be secured by this Mortgage are deemed not to be so secured while the CMHC Pool Eligible Loan remains in CMHC's NHA MBS Program or the total amount of all loans secured under the Mortgage is equal to or greater than 80% of the value of the Land, and (ii) the Mortgage is not eligible to stand as security for any future loans so long as the CMHC Pool Eligible Loan remains in CMHC's NHA MBS Program or the total amount of all loans secured under the Mortgage is equal to or greater than 80% of the value of the Land and the Credit Union will not be able to offer any further credit products to you that would be secured by this Mortgage until the CMHC Pool Eligible Loan is no longer in CMHC's NHA MBS Program or the total amount of all loans secured under the Mortgage falls below than 80% of the value of the Land.

### 3.3 Continuation Of Mortgage

The Mortgage and the security created by it will continue in spite of the repayment and readvancement of funds under the Mortgage from time to time until all monies owing to the Credit Union under this Mortgage and the Loan Documents, as applicable, have been fully paid, all other obligations are performed, and we deliver a discharge of mortgage to you. See paragraph 3.5.

### 3.4 Assignment

The Mortgage and the debt secured by it may be assigned by us to any party without your consent. Assignment by us does not invalidate the Mortgage or entitle you to a discharge and it does not change the terms of the Mortgage.

You cannot assign your obligations under the Mortgage unless we have agreed to it in writing.

### 3.5 Discharge/Transfer

Upon full performance of all of your obligations under this Mortgage or the Loan Documents, as applicable, and payment of the Loan Amount, you are entitled to a discharge of the Mortgage or to a transfer of the Mortgage to a third party, if you so wish. You will give us reasonable time in which to prepare and sign the discharge or transfer, as the case may be. You will pay our usual administrative fee for preparing, reviewing or signing the discharge or transfer and all legal and other expenses we incur in so doing. You will be responsible for registering and for the costs of registering the discharge or transfer at the land titles office.

## 4. INTEREST – FIXED RATE MORTGAGE

If this Mortgage is a Fixed Rate Mortgage, then the provisions of this paragraph 4 apply.

### 4.1 Fixed Interest Rate

The Interest Rate is a fixed rate per annum as stated in Box 5. The Interest Rate may be amended on the I.A.D. in Box 5 and will remain fixed for the term of the Mortgage until the Mortgage matures or is renewed on the Balance Due Date.

### 4.2 Equivalent Rate

Since the Calculation Period in Box 5 is semi-annually not in advance and due to our method of application of payments (whether weekly, bi-weekly, semi-monthly, monthly, quarterly or annually) firstly to interest and secondly to principal, the Equivalent Rate is used to calculate the interest. The Equivalent Rate at the time of signing this Mortgage is set out as such in Box 5 – Other Details and is available from the Credit Union during office hours.

## 5. INTEREST – VARIABLE RATE MORTGAGE OR CAPPED RATE MORTGAGE

If this Mortgage is a Variable Rate Mortgage or a Capped Rate Mortgage, then the provisions of this paragraph 5 apply.

### 5.1 Variable Interest Rate

The Interest Rate payable by you is a variable rate per annum, based on our Prime Rate as established and announced by us from time to time plus or minus the number of percentage points per annum stated in Box 5. Interest is payable and calculated weekly, bi-weekly, semi-monthly, monthly, quarterly, semi-annually or annually not in advance, as the case may be, and is payable on the Loan Amount both before and after demand, default and judgment until the Loan Amount has been fully paid. The Interest Rate actually payable by you will vary automatically without notice to you, each time there is a change in the Prime Rate. The Prime Rate and Interest Rate payable on the Loan Amount remain in effect until varied.

The Prime Rate described in Box 5 will be posted at all our branches at all times and the Interest Rate applicable to your Mortgage at any time, including the date when the Prime Rate changed can be ascertained by you by telephoning any of our branches during office hours, but if such rate is not at any time so posted, this will not change your obligation to pay interest at the Interest Rate you have agreed to pay.

Even if there is a contrary provision elsewhere in this Mortgage, if this is a Capped Rate Mortgage, the Capped Rate shall be used to calculate the interest payable by you under the Mortgage at all times (up to and including the Capped Rate Expiry Date) even if changes in the Prime Rate would result in the Interest Rate's exceeding the Capped Rate. Interest shall continue to be calculated at the Capped Rate until the Prime Rate changes so that the Interest Rate is again equal to or less than the Capped Rate. If this happens, interest shall once again be calculated on a variable basis as set out in this paragraph 5.1. From and after the Capped Rate Expiry Date, unless you and the Credit Union have negotiated a new capped rate and a new capped rate expiry date, interest shall be charged on a variable rate basis.

### 5.2 Convertibility

If you are not in default in making any payment required under the Mortgage or in default of any of your covenants or other obligations under the Mortgage, you may convert the terms of the Mortgage to those of a Fixed Rate Mortgage bearing such interest rate and containing such other terms and provisions as are made available by us to you at the time of conversion. You shall apply to us in order to exercise this right of conversion. You will be able to convert the Mortgage by selecting from the mortgage options that we have available at the time that you apply for conversion and you shall on request sign an amending agreement in a form acceptable to us which will contain all amended terms, covenants (including your obligations under the Mortgage), conditions and provisions of the Mortgage. The interest rate payable by you will be our current interest rate for the mortgage option selected by you, effective as of the date that you sign an amending agreement or other documents on which we agree. You agree to pay us any processing or administration fee in connection with the conversion, together with any accrued interest which may result from a change in the frequency of the regular mortgage payments to be made. You also agree that you will pay all legal fees and disbursements incurred with respect to the conversion documentation and its registration.

Once the Mortgage has been converted, the prepayment privileges of the Mortgage will no longer apply and prepayment privileges, if any, will be contained in the conversion documentation.

**5.3 Increases In Prime Rate**

If at any time because of increases in the Interest Rate, the regular payment is no longer enough to maintain the agreed amortization period, you may be required to increase the amount of each regular payment under the Mortgage in order to maintain the remaining amortization period of the Mortgage.

If you are unable to do so, then, at our option, the Mortgage will immediately become due and payable.

**6. INTEREST – MULTI-PURPOSE MORTGAGE**

If this Mortgage is a Multi-Purpose Mortgage, then you will pay interest at the rate or rates as set out in the Loan Documents.

**7. PAYMENT PROVISIONS**

In the case of a Fixed Rate Mortgage, a Variable Rate Mortgage or a Capped Rate Mortgage, interest is payable from the date of advance of funds, both before and after the Balance Due Date, default and judgment, until the Loan Amount is fully paid. Interest is calculated on the Loan Amount and Other Charges (if any), not in advance, according to the calculation period set out in Box 5, and is paid together with payments on account of the Loan Amount, in installments as set out in Box 5, or as may be otherwise set out in Box 5 – Other Details.

In the case of a Multi-Purpose Mortgage, interest is payable as set out in the Loan Documents.

**8. COMPOUND INTEREST**

In the case of a Fixed Rate Mortgage, a Variable Rate Mortgage or a Capped Rate Mortgage, if any payment is not made on its due date, we may charge you interest on any overdue portion of the amount owing on the Mortgage (including any overdue interest) until paid. This is called compound interest. Such overdue amounts may be added to the Loan Amount and will bear interest at the Interest Rate, from the date of default until paid, both before and after the Balance Due Date, default and judgment. All such interest and compound interest shall be paid at intervals which are the same as your periodic payment dates set out in the Mortgage or in any agreement between us, and shall form part of the Loan Amount which is secured by the Mortgage.

In the case of a Multi-Purpose Mortgage, compound interest may be payable as set out in the Loan Documents.

**9. DEFERRED INTEREST**

If any payment made on your Mortgage is insufficient to pay all accrued interest, the unpaid amount of the accrued interest may be added to the Loan Amount and will thereafter be subject to compound interest as explained in paragraph 8. Such deferred interest and compound interest form part of the Loan Amount and are secured by the Mortgage.

**10. INTEREST ON OTHER CHARGES**

Any Other Charges incurred by us will be added to the Loan Amount and will bear interest at the Interest Rate, from the date on which they are incurred until paid, and will be subject to compound interest as explained in paragraph 8. Such charges, interest and compound interest form part of the Loan Amount and are secured by the Mortgage.

**11. CALCULATION OF INTEREST COMPONENT OF PAYMENT**

The interest rate payable may be either variable or fixed.

If a debt obligation secured by the Mortgage requires principal and interest payments which are payable in equal periodic installments, the amount of the interest and principal components of each mortgage payment will vary as the principal reduces and where applicable, the Interest Rate changes. The following provides details on how you may calculate the portion of each payment which will be first applied to the payment of interest and/or then in reduction of the principal.

Start with the principal that remained outstanding after your last payment ("Principal").

In the case of a Fixed Rate Mortgage, use the Equivalent Rate in effect during that time ("Rate").

In the case of a Variable Rate Mortgage, Capped Rate Mortgage or Multi-Purpose Mortgage, use the applicable Interest Rate ("Rate").

Determine the number of days in the payment period, including the date of the immediately preceding payment (or, in the case of the first payment, the I.A.D.) and excluding the date on which the next mortgage payment is being paid ("Days").

As the Interest Rate may be subject to fluctuations, determine, for each different Interest Rate chargeable during the payment period, the number of days on which such Interest Rate was chargeable. In order to determine the amount of interest which accrued on the Principal in the payment period for each Interest Rate, the calculation will have to be made for each period based on each applicable Interest Rate. Each of the interest components calculated must be added in order to determine the total amount of interest which accrued on the Principal during the period.

**FORMULA**

$$\text{Principal} \quad \times \quad \frac{\text{Rate}}{100} \quad \times \quad \frac{\text{Days}}{365^*} \quad = \quad \text{Interest Component of Payment}$$

\*In leap years, the denominator used in this formula may be 366. You should contact us in order to verify whether to use 365 or 366.

If the balance outstanding under the Multi-Purpose Mortgage is owed pursuant to more than one Loan Document, you will have to make a separate calculation for each Loan Document.

If the payment exceeds the total amount of interest which accrued on the Principal during the period and there are no Other Charges, the balance of the payment is then applied in reduction of the Principal.

**EXAMPLE** The following example indicates how these calculations are carried out in practice. In this example, assume the following information:

- the "Principal" owing after the immediately preceding regular mortgage payment - \$50,000.00,
- "Rate" during the payment period - 9%,
- the amount of the regular mortgage payment - \$413.99,
- number of "Days" in the payment period e.g. January 1 to February 1 is a period of 31 days,
- use the formula set out previously to determine the interest which accrued on the Principal during the period.

$$\$50,000 \quad \times \quad \frac{9}{100} \quad \times \quad \frac{31}{365} \quad = \quad \$382.19$$

Apply the mortgage payment of \$413.99 first to payment of the total amount of interest which accrued on the Principal during the period - \$382.19. Subtracting the \$382.19 interest component from the \$413.99 payment results in a reduction of the Principal by \$31.80.

**12. TERMS OF PAYMENT – FIXED RATE MORTGAGE, VARIABLE RATE MORTGAGE, CAPPED RATE MORTGAGE**

If this Mortgage is a Fixed Rate Mortgage, a Variable Rate Mortgage or a Capped Rate Mortgage, the provisions of this paragraph 12 will apply.

**12.1 Payment Of Interest To The Interest Adjustment Date (I.A.D.)**

On the I.A.D. you will pay interest at the rate agreed by you on as much of the Mortgage Principal Amount as has been advanced, from the date of such advance to the I.A.D. We may require you to pay such interest in periodic installments beginning with the payment period following the first advance of Mortgage Principal Amount, until the I.A.D. We may also deduct, from any advance of the Mortgage Principal Amount, interest that will be due on the I.A.D.

**12.2 Payments After The Interest Adjustment Date (I.A.D.)**

If your Mortgage is a Fixed Rate Mortgage, after the I.A.D. you will make mortgage payments of principal and interest in the amounts, beginning on the First Payment Date, and ending on the Last Payment Date, all as set out in Box 5. The balance of the Loan Amount will be paid on the Balance Due Date;

If your Mortgage is a Variable Rate Mortgage or a Capped Rate Mortgage, after the I.A.D., you will make equal combined principal and interest payments, principal plus interest payments or interest only payments depending on the type of payment you choose. Where you have chosen to make equal combined principal and interest payments, the Amount of each payment, the Payment Frequency and the First Payment Date are all as set out in Box 5. Where you have chosen to make principal plus interest payments, the Amount of each payment applicable to principal, the Payment Frequency and the First Payment Date are all set out in Box 5, and for this type of payment, where the Prime Rate fluctuates up or down, and as the principal balance is reduced, the amount of your periodic payments for interest will be adjusted accordingly. If your Mortgage is Payable on Demand, where you have chosen to make interest only payments, the option "INTEREST ONLY PAYMENTS MUST BE MADE" must be chosen in Box 5 and the Payment Frequency and the First Payment Date will all be set out in Box 5 – Additional Provisions – Other and for this type of payment, where the Prime Rate fluctuates up or down, and as the principal balance may be reduced by any payments on account of principal which you choose to make and we accept, the amount of your periodic payment for interest will be adjusted accordingly. Provided that if you and the Credit Union have agreed that the indebtedness secured by this Mortgage is to be payable on an interest only prior to demand basis, but the said option "INTEREST ONLY PAYMENTS MUST BE MADE" was erroneously not chosen in Box 5, then the choice of "INTEREST ONLY PAYMENTS MUST BE MADE" will be deemed to have been made in Box 5.

**12.3 Mortgage Payable On Demand**

Your Mortgage is payable on demand, if this is indicated in Box 5 or if there is a written agreement between us that states that the Mortgage will be payable on demand. Even if the Mortgage Document sets out payment provisions over time, the Loan Amount is payable when we demand payment in writing. You will make payments as set out in Box 5, or as we may otherwise require, until we demand payment of the Loan Amount. It is entirely in our discretion as to whether we demand payment of the Loan Amount and we may so demand even if none of the events described in paragraph 12.6 has occurred.

**12.4 Application Of Payments**

All payments received on account of the Mortgage will be applied firstly to accrued interest, and secondly to reduction of the Loan Amount (including any amounts added to the Loan Amount by way of compound interest, Other Charges, or otherwise);

EXCEPT that if you are in default of any payment or obligation, we may apply payments in any manner we choose.

**12.5 Payment On Sale Or Transfer**

If you sell, convey or transfer your Land or agree to do so, to anyone without obtaining prior written approval from us, the Loan Amount shall, at our option, immediately become payable in full. If we accept payment from any person or persons whom we have not first approved in writing, this shall not mean that we have granted prior written approval nor that we have relinquished our right to require you to pay the Loan Amount in full. For the purposes of this provision, you will be treated as having sold, conveyed or transferred your Land where (i) ownership of your Land changes by operation of law (for example, if you are a natural person, if you die, or if you are a corporation, if your corporate existence ceases or if you amalgamate with one or more other corporations) and (ii) you are a corporation and there is a change in the ownership of your issued shares such that voting control changes hands (voting control meaning the right to exercise more than 50% of all of the voting rights attaching to your issued share capital).

You shall provide us with sufficient written information to enable us to determine whether we should give our written approval and we shall, upon receipt of sufficient information, make our determination in a timely manner. Prior written approval by us shall not be unreasonably withheld.

If we approve of the transfer of your Land to a new owner or owners, one of our requirements for giving our approval may be that the new owner(s) sign an agreement to be bound by the terms of the Mortgage, in a form and content acceptable to us.

If we are entitled to exercise our option to accelerate repayment in full of the Loan Amount, we will not be taken to have done so unless we confirm this to you in writing. If we so exercise that option, we can do so without considering you to be in default and thereby require you (and/or your transferee) to repay the Loan Amount in full together with a prepayment penalty as outlined in paragraph 12.7(c).

**12.6 Demand/Acceleration Of Repayment**

Notwithstanding the provisions of Box 5, and in addition to our right to demand payment of the Loan Amount, where the words "NOT PAYABLE PRIOR TO DEMAND" do NOT appear in Box 5 – Additional Provisions – Other, at our option (we are not to be taken to have exercised this option unless we confirm same to you in writing), the Loan Amount will become immediately due and payable as if the term of your Mortgage had expired, in any of the following events:

- (a) you default in making any payment or in performing any obligation required by the Mortgage;
- (b) we discover that any statement or promise you made in your loan application or the Mortgage is untrue or inaccurate or cannot be performed; or that you have used mortgage proceeds for a purpose other than is shown on your loan application;
- (c) we have reason to believe that you have abandoned the Land;
- (d) we receive notice of, or there is registered, any assignment for the general benefit of creditors, tax sale proceeding, work order, debt review proceeding or mediation, undefended statement of claim, builder's lien, agreement for sale, notice of security interest, judgment or other lien, proceeding or encumbrance affecting you or the Land which, in our sole opinion, could affect the priority of our Mortgage or your ability to fulfill your obligations under it;
- (e) if at any time, during the course of construction prior to the I.A.D., we are not satisfied with the progress or the quality of construction where our Mortgage is securing progressive advances under a construction project;
- (f) we believe that the security of our position is threatened in any way;
- (g) you die or otherwise cease to exist;
- (h) there occurs any other event or occurrence which is stated or described to be an event or occurrence of default in any existing or future agreement or other writing between us pertaining to any of the indebtedness secured by this Mortgage;
- (i) where you are in default under any other security held by us at any time to secure your obligations secured by this Mortgage, in whole or in part;
- (j) where you are in default of your obligations under any other encumbrance, claim or other interest which charges the Land and which holds priority against the Land ahead of the priority of the security of this Mortgage;
- (k) if we lose the benefit of any other security at any time held by us to secure, in whole or in part, your obligations secured by this Mortgage (except where we release the same by written release or discharge), including the benefit of any guarantee, covenant or indemnity obligation of any person or persons.

**12.7 Prepayment Provisions**

Your rights, if any, to prepay the balance outstanding under this Mortgage may be set forth in Box 5 - Additional Provisions - Prepayment terms - Details by setting out either a word or words describing the type of prepayment rights as set forth below or by setting out in detail the prepayment rights. These rights may be amended by any future renewals, amendments or extensions to this Mortgage. If no prepayment rights are described or provided for in the Mortgage Document, the Mortgage will be deemed to specify "Closed".

**(a) Prepayment Types**

The following words describing the types of prepayment rights shall have the following meanings:

- (i) "Open" means that you have the right at any time to prepay the whole or any portion of the balance outstanding under this Mortgage without giving any prior notice of prepayment to the Credit Union and without having to pay to the Credit Union any additional fee or penalty for this right.
- (ii) "Closed" means that you may not make any payments to the Credit Union before the dates that they are due.

(iii) "Closed with Annual Payment" followed by a figure and a percentage sign (%) means that once in each twelve month period starting on the Interest Adjustment Date ("I.A.D.") or the anniversary of that date, you have the right without notice or penalty to prepay an amount not exceeding the specified percentage of the Mortgage Principal Amount.

(b) Limited Prepayment Rights

If your Mortgage is Closed with Annual Payment, you have the right, once in each twelve month period starting on the I.A.D., or the anniversary of that date, to pay an amount up to the percentage of the Mortgage Principal Amount as specified in Box 5 - Additional Provisions - Prepayment terms - Details. If you do not fully exercise this right in any twelve month period, you will not be able to carry this right forward to any future twelve month period. This right is not available at all where you are prepaying more than the percentage of the Mortgage Principal Amount as specified in Box 5 - Additional Provisions - Prepayment terms - Details. In the event that you do make a prepayment, your regular loan payment shall continue to be due and payable in the same amount during the term of the Mortgage until maturity of the Mortgage, until we make demand or until the monies hereby secured have been repaid in full, whichever is the first to occur.

A prepayment penalty, in the amount set out in 12.7(c) is payable on the entire amount paid where you prepay more than the percentage of the Mortgage Principal Amount specified in Box 5.

(c) Prepayment Penalty

At the Credit Union's discretion, the amount to be charged as a prepayment penalty will be the greater of:

- (i) three months' interest at your Interest Rate calculated on the amount prepaid by you if the Land hereby secured is an owner occupied residence, or
- (ii) six months' interest at your Interest Rate calculated on the amount prepaid by you if the Land hereby secured is other than an owner occupied residence, or
- (iii) an interest differential payment. The interest differential payment will be an amount arrived at by calculating interest for the remaining term of the Mortgage on the amount prepaid at a rate equal to the difference between your Interest Rate and the rate charged by the Credit Union as at the date of prepayment for a mortgage similar to yours. A mortgage similar to yours has a term that is closest to the remaining term of your Mortgage.

The prepayment provisions in this paragraph 12.7 are not intended to be exhaustive and different prepayment rights may be set forth in the Mortgage or an amending agreement. In any event, if your Mortgage has a term of more than five years and you are not a corporation, you may prepay the outstanding balance of principal and interest at any time after the fifth anniversary of the I.A.D. In this case, you will be charged a prepayment penalty as set out in paragraph 12.7 (c) (i).

**12.8 Loan Repayable On Different Terms**

If a loan secured by this Mortgage is repayable other than over time by way of equal payments made at equal intervals, where the payments are allocated first to accrued interest and then to the balance of the loan then outstanding, then:

- (a) the payment and repayment terms for such loan (the "Actual Loan Payment Terms") shall be set forth in Box 5; and
- (b) those definitions and terms of payment and repayment contained in paragraphs 2 to 13, both inclusive, of these SCMT which are inconsistent with or which conflict with the Actual Loan Payment Terms shall be inapplicable and shall be and be deemed to be deleted from these SCMT.

**13. TERMS OF PAYMENT – MULTI-PURPOSE MORTGAGE**

If this Mortgage is a Multi-Purpose Mortgage, the provisions of this paragraph 13 will apply.

**13.1 Terms Of Repayment**

The Loan Documents will contain particulars of the interest rate or rates applicable and the terms and conditions of payment of principal and interest. Notwithstanding the terms of payment set out in the Loan Documents, at our option, the Loan Amount will become immediately due and payable, as if your Multi-Purpose Mortgage had expired, in any of the following events:

- (a) you default in making any payment or in performing any obligation required by any of the Loan Documents or by the Multi-Purpose Mortgage;
- (b) we discover that any statement or promise you made in your loan application or the Multi-Purpose Mortgage is untrue or inaccurate or cannot be performed; or that you have used proceeds for a purpose other than is shown on your loan application;
- (c) we have reason to believe that you have abandoned the Land;
- (d) we receive notice of, or there is registered, any assignment for the general benefit of creditors, tax sale proceeding, work order, debt review proceeding or mediation, undefended statement of claim, builder's lien, agreement for sale, notice of security interest, judgment or other lien, proceeding or encumbrance affecting you or the Land which, in our sole opinion, could affect the priority of our Multi-Purpose Mortgage or your ability to fulfill your obligations under it;
- (e) if at any time, during the course of construction, we are not satisfied with the progress or the quality of construction where our Mortgage is securing progressive advances under a construction project;
- (f) we believe that the security of our position is threatened in any way;
- (g) you die or otherwise cease to exist;
- (h) there occurs any other event or occurrence which is stated or described to be an event or occurrence of default in any existing or future agreement or other writing between us pertaining to any of the indebtedness secured by this Multi-Purpose Mortgage;
- (i) where you are in default under any other security held by us at any time to secure your obligations secured by this Multi-Purpose Mortgage, in whole or in part;
- (j) where you are in default of your obligations under any other encumbrance, claim or other interest which charges the Land and which holds priority against the Land ahead of the priority of the security of this Multi-Purpose Mortgage;
- (k) if we lose the benefit of any other security at any time held by us to secure, in whole or in part, your obligations secured by this Multi-Purpose Mortgage (except where we release the same by written release or discharge), including the benefit of any guarantee, covenant or indemnity obligation of any person or persons.

**13.2 Payment On Sale Or Transfer**

If you sell, convey or transfer your Land or agree to do so to anyone without obtaining prior written approval from us, the Loan Amount shall, at our option, immediately become payable in full. If we accept payment from any person or persons whom we have not first approved in writing, this shall not mean that we have granted prior written approval nor that we have relinquished our right to require you to pay the Loan Amount in full. For the purposes of this provision, you will be treated as having sold, conveyed or transferred your Land where (i) ownership of your Land changes by operation of law (for example, if you are a natural person, if you die, or if you are a corporation, if your corporate existence ceases or if you amalgamate with one or more other corporations) and (ii) you are a corporation and there is a change in the ownership of your issued shares such that voting control changes hands (voting control meaning the right to exercise more than 50% of all of the voting rights attaching to your issued share capital).

You shall provide us with sufficient written information to enable us to determine whether we should give our written approval and we shall, upon receipt of sufficient information, make our determination in a timely manner. Prior written approval by us shall not be unreasonably withheld.

If we approve of the transfer of your Land to a new owner or owners, one of our requirements for giving our approval may be that the new owner(s) sign such agreements confirming indebtedness to us, in a form and content acceptable to us.

If we are entitled to exercise our option to accelerate repayment in full of the Loan Amount, we will not be taken to have done so unless we confirm this to you in writing. If we so exercise that option, we can do so without considering you to be in default and thereby require you (and/or your transferee) to repay the Loan Amount in full together with a prepayment penalty as outlined in paragraph 13.3.

### 13.3 Prepayment Provisions

Your rights, if any, to prepay the balance outstanding on any of your obligations secured by this Multi-Purpose Mortgage may be contained in one or more of the Loan Documents. If any part of the Loan Amount is advanced pursuant to a line of credit agreement, you may pay all or any part of that portion of the Loan Amount at any time, without notice, or penalty.

### 13.4 Loan Amount Exceeding Mortgage Principal Amount

If the Loan Amount should at any time or from time to time be greater than the Mortgage Principal Amount set out in Box 5 of the Mortgage Document, and because of an applicable law, part of the Loan Amount is not secured by this Mortgage, or is partially secured, we may, at any time and from time to time, decide what portion of the Loan Amount shall be so secured by the Mortgage, and which portion shall not be secured. Nothing in the Mortgage shall prejudice or otherwise affect in any way any right we may have, independent of the Mortgage, to enforce payment of any amount now or later owing to us (whether under the Loan Documents or otherwise) by you or any other person. Any payment made by you to us (whether under the Mortgage or the Loan Documents or otherwise and whether before or after demand, default or judgment) and any amount realized by us from any security (including the Mortgage) may be applied to such part or parts of the Loan Amount or to any other amount payable under the Mortgage as we in our sole discretion, may determine, whether or not you request a different application.

## 14. YOUR COVENANTS AND PROMISES TO US

You specifically covenant, promise and agree with us that:

### 14.1 Application

Every statement made by you to us, including statements made in your loan application, if any, is true, correct and accurate and you will perform all of your obligations in any loan application signed by you. The terms of your loan application, if any, are incorporated into the Mortgage, but where there is a conflict between the terms of the commitment letter, if any, and the Mortgage, the terms of the Mortgage shall prevail.

### 14.2 Title

#### (a) Freehold Title

If you are or are entitled to be an owner in fee simple of or with an absolute title to the Land, you certify, covenant and agree with us that:

- (i) you will pay the Loan Amount as required by the Mortgage or any Loan Documents, will pay Taxes assessed against the Land and will comply with all other obligations of the Mortgage or any Loan Documents;
- (ii) you are or are entitled to be the lawful owner of the Land;
- (iii) you have the right to give us the Mortgage;
- (iv) there are no encumbrances or other claims or interests affecting title to the Land, except those to which we have given our prior written consent;
- (v) there are no limitations affecting title to the Land except for any restrictions registered in the land titles office and except for building and zoning by-laws, all of which we have approved of in writing, with all of which you and the Land have complied;
- (vi) you will insure the buildings on the Land as required by paragraph 14.7;
- (vii) you will, at your expense, sign any other document or take any further action as we may in our sole opinion think necessary to ensure that all your interest in the Land has been fully charged to us, and that the Loan Amount is, in our sole opinion, adequately secured;
- (viii) if you default in any of your obligations under the Mortgage or any Loan Documents, we shall have quiet possession of the Land, free from all encumbrances;
- (ix) you will defend your title to the Land and will not in any way interfere with our interest in the Land.

#### (b) Leasehold Title

If you are or are entitled to be a tenant or lessee, under a lease, of the Land, in addition to any other provisions contained in this Mortgage, you certify, covenant and agree with us that:

- (i) you will pay the Loan Amount as required by the Mortgage or any Loan Documents, will pay Taxes assessed against your interest in the Land (and will cause your lessor to pay Taxes assessed against the lessor's interest in the Land), and will comply with all other obligations of the Mortgage or any Loan Documents;
- (ii) the Land is leased to you (or you are entitled to have the Land leased to you) under a valid lease, a true copy of which you have given us and that you have (or you are entitled to have) good leasehold title to the Land;
- (iii) all rents and other monies payable under the lease have been paid and there are no unremedied defaults (no matter when or by whom committed) outstanding under the lease, in both cases up to the date you sign the Mortgage Document;
- (iv) you have the consent of your landlord or lessor, or you have the right without your landlord or lessor's consent, to charge your interest in the lease to us in either case, either without conditions or requirements of your landlord or lessor, or, upon conditions and requirements which we have approved of in writing;
- (v) there are no limitations on your interest in the lease except for any set out in the lease, except for restrictions registered in the land titles office and except for building and zoning by-laws, with all of which you and your landlord have complied. There are no encumbrances or other claims or interests affecting title to your interest in the Land, except those to which we have given our prior written consent;
- (vi) you will pay rents and other payments required by the lease as they fall due;
- (vii) you will comply with all your other obligations set out in the lease;
- (viii) you will not surrender the lease or cause it to be terminated;
- (ix) you will not make any change in the lease without first obtaining our written consent;
- (x) you will promptly give us a true copy of any notice, demand or request which you may receive relating to the lease;
- (xi) you will, at your expense, sign any other document or take any further action as we may think necessary in our sole opinion to ensure that all your interest in the Land and in the lease has been fully charged to us, and that the Loan Amount is, in our sole opinion, adequately secured;
- (xii) if you default in any of your obligations under the Mortgage or any Loan Documents, we shall have quiet possession of the Land, free from all encumbrances;
- (xiii) you will defend your title to the Land, will not in any way interfere with our interest in the Land and will indemnify us against all actions, claims, costs and demands should you default under your lease and all amounts you may owe us at any time by virtue of your indemnification will be added to the Loan Amount and will be secured by the security of this Mortgage, and, this indemnity will survive any discharge of the Mortgage;
- (xiv) notwithstanding anything contained in or implied from any terms in the Mortgage, it is understood and agreed that the mortgage charge created by this Mortgage will not apply to the last day of the term of your lease, or to the last day of any renewal or extension term thereof, and you will hold the Land for the last day of the term of your lease or of any renewal term in trust for us and will only deal with it in such manner as we shall require. You will have the same rights arising from this paragraph as you already enjoy under other provisions of the Mortgage and at law. You will, when requested by us, obtain written assurances and undertakings from your lessor and all persons holding mortgages or other

encumbrances, claims or interests in your lessor's interest in the Land which will protect us against any exercise of any of the rights, claims or interests of such other persons, the same to be at your cost and to be upon such terms as we deem necessary, acting reasonably;

- (xv) at our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal. If we enforce our rights under the Mortgage, then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in the Land and for that person's Successors;
- (xvi) you appoint us as your attorney so that we, on your behalf and in your name, may assign the lease and the last day of the term and of any renewal and convey your interest in the Land as we may require to perfect any sale we may make;
- (xvii) if you acquire the freehold estate or interest in the Land prior to the discharge of the Mortgage, you will, on our request and at your cost and expense, provide us with a mortgage of such estate or interest, on terms substantially the same as those contained in the Mortgage;
- (xviii) you will from time to time, when we ask you to do this, provide to us at your cost, written statements from your lessor advising as to the status of the lease.

#### 14.3 Further Encumbrances

You will not without our prior written consent create or allow to be created any other mortgage, charge, lien, claim, interest or encumbrance over the Land. This prohibition applies to any mortgage, charge, lien, claim, interest or encumbrance which is or may be registered against the title to the Land or which is valid without being registered against such title, and it applies to those which you may create by intentional act and those which arise by operation of law or under statute.

#### 14.4 Use Of Loan

The loan proceeds will be used only for the purposes stated in the loan application and approved by us.

#### 14.5 Covenant To Pay

You promise to pay the Loan Amount secured by and payable under the Mortgage or Loan Documents, as and when required by the Mortgage or Loan Documents, without any deduction or set-off.

#### 14.6 Taxes, Etc.

You will promptly pay all Taxes, liens, charges, encumbrances and other claims which may have or may acquire a priority over the Mortgage, and provide us with evidence of payment on request.

- (a) In addition to any other rights we may have, we may deduct from any advance of the Mortgage Principal Amount an amount sufficient to pay such Taxes or charges, and pay them directly, or we may pay them and add them to the Loan Amount.
- (b) We may at any time require you to pay, either with your payments set out in Box 5 or at any other times we determine, such additional amounts as we think necessary to provide a fund sufficient to pay Taxes as they fall due (the "tax fund"). Such additional amounts will be determined by our estimate of the amount of Taxes and the number of payments to be made before Taxes are due.
- (c) If we require such a tax fund:
  - (i) we do not have to hold it in trust, or pay interest on it, or apply it to Taxes more than once a year;
  - (ii) we can apply it to remedy any default, or to any part of the Loan Amount if you are in default of any obligation;
  - (iii) if the Taxes charged in any year exceed the tax fund, you will immediately pay us the shortfall. If you do not, we may leave that portion of Taxes unpaid, or we may pay it directly and add it to the Loan Amount;
  - (iv) you will send us all tax bills or other notices relating to Taxes as soon as you receive them;
  - (v) if you wish to obtain any discount for early payment of Taxes, or to avoid any penalties, you will pay us any additional amounts necessary to do so.

#### 14.7 Insurance

You will immediately insure and keep insured all buildings, structures, fixtures and improvements on the Land for not less than their full insurable replacement value until the Mortgage is discharged. You must insure against loss or damage by fire, with standard extended perils coverage, and such additional perils, risks or events as we may require at any time.

If our loan approval so requires, you must also place and maintain crop or hail insurance, or both, in any or all crops grown on the Land, for their full insurable value or to the extent required by us. If our loan approval so requires, you must also place and maintain such other kinds of insurance as may be specified in the approval.

If a steam boiler, pressure vessel, oil or gas burner, stoker, sprinkler system or other comparable apparatus is operated on the Land, you must so insure against loss or damage caused by such device.

All insurance policies must be carried with an insurer or insurers acceptable to us. They must contain standard mortgage clauses approved by the Insurance Bureau of Canada or by us, under which loss proceeds are payable first to us, or as our interest may appear, and we shall have the right to receive and to have a lien on such loss proceeds. If we become the owner of the Land by virtue of the Mortgage, then notwithstanding that all indebtedness secured by the Mortgage will or may have been extinguished, all your right and interest in all insurance applicable to the Land then in effect will pass to us and become our property.

All such policies shall contain an undertaking by the insurers to notify us in writing not less than fifteen (15) days prior to any material change, cancellation, failure to renew, or termination of the policy. If you do not take out or you fail to keep in force any such insurance, or if any such insurance is not approved by us, and if you do not rectify the situation within ten (10) days after written notice from us to you, we have the right, without assuming any obligation in connection to do so, to arrange for insurance at your sole cost and expense. If we are obligated to pay any premiums or sums of money for insurance for the Land or any part thereof the amount of such payment shall be added to the debt secured by the Mortgage and shall bear interest at the same rate applicable to principal as set out in the Mortgage from the time of such payments and shall be payable at the time appointed for the next ensuing paying of interest on the said debt.

You must, on our request, provide us with a certified copy of each such policy, and with evidence of its renewal before its expiry date. We may, but are not obliged to, place and pay for any insurance policy which we think necessary to protect our interest. The cost we incur in doing so will form part of Other Charges.

If loss or damage occurs, you will immediately and at your expense, furnish all necessary proofs and do everything necessary to enable us to obtain the insurance proceeds. You hereby authorize us to act in your place (which we are not obliged to do) and to take all such steps in order to cause the insurance proceeds to be payable to us.

Insurance proceeds received by us may at our sole option and in our sole discretion be:

- (a) applied to repair or rebuild your property; or
- (b) applied to reduce any part of the Loan Amount as we determine in our sole discretion, whether due or not, and if we choose to apply insurance loss proceeds to repay the full balance of any loan secured by this Mortgage, we shall also be entitled to collect from you (and to pay ourselves out of such loss proceeds) a prepayment penalty referred to in paragraph 12.7 or paragraph 13.3;
- (c) paid to you; or
- (d) paid on account of any other mortgage, charge, encumbrance, lien, claim or other interest applicable to the Land; or
- (e) applied partly in two or more of the foregoing ways.

**14.8 Vacancy, Waste**

You will not allow the Land to become or remain vacant or abandoned, and you will not commit or allow any act of waste or any other act or thing which in our opinion could decrease the value of the Land. You will also comply with all municipal, provincial and federal laws, rules, regulations and requirements applicable to the Land or any portion or portions thereof, including, without limitation, those dealing with environmental protection, zoning, health, fire prevention, and, building, electrical and plumbing codes. You agree to indemnify us against all liability, loss, cost and expense incurred by us as a result of your failing to comply with this paragraph. All amounts which you may owe us at any time by virtue of your indemnification will be added to the Loan Amount and will be secured by the security of this Mortgage. Your indemnification will survive any discharge of this Mortgage.

**14.9 Hazardous Substances****(a) Definition**

Reference herein to "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials;
- (ii) explosives;
- (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to use by people or by any animal, fish or plant;
- (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted by air, would create or contribute to the creation of a condition of air that:
  - (I) endangers the health, safety or welfare of persons or the health of animal life; or
  - (II) causes interference with normal enjoyment of life or property; or
  - (III) causes damage to plant life or to property;
- (v) the substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated byphenyls;
- (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or put into force by any governmental authority having jurisdiction over you, the Credit Union or the Land; and
- (vii) substances which we, acting reasonably, determine to be hazardous or toxic.

**(b) Representation**

Neither you, nor, to your best knowledge, any other person has ever caused or permitted any Hazardous Substance to be placed, held, located or disposed of on, under or at the Land, save and except as disclosed to us in writing.

**(c) Covenants**

You hereby covenant and agree with us as follows:

- (i) you shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Land without prior written consent;
- (ii) you shall not allow the Land to be used in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (iii) to the extent that Hazardous Substances are, with our consent, placed, held, located or disposed of on, under or at the Land in accordance with the terms hereof, you shall:
  - (I) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances; and
  - (II) at our request, provide evidence to us of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as we may reasonably require, all at your expense;
- (iv) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located on, under or at the Land, you shall:
  - (I) cause the storage tanks to be maintained and repaired in a manner satisfactory to us, and if you decide to remove any such tanks, or government authorities with jurisdiction require you to remove them, you will remove them in accordance with the requirements of applicable law and provide us with evidence of such compliance by you; and
  - (II) at our request, obtain assignments of any warranties or guarantees received from the manufacturer or installer of such storage tanks in our favour as additional security.

**(d) Indemnity**

You hereby indemnify and save us and our Successors harmless from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever including, without limitation:

- (i) the costs of defending, counter-claiming or claiming over against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and client basis and at all court levels;
- (ii) any cost, liability or damage arising out of a settlement of any action entered into by us with or without your consent; and
- (iii) the costs of repairs, clean-up or restoration paid by us and any fines levied against us;

which at any time or from time to time may be paid, incurred or asserted against us, as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of Hazardous Substances from the Land either into the atmosphere or into any water or onto any lands (including the Land). This indemnification shall survive the satisfaction, release or enforcement of this Mortgage or security collateral hereto and the full repayment of the Loan Amount thereon at the Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any Other Charges made or incurred by us hereunder.

**14.10 Repair**

You will maintain the Land at all times and keep it in good condition and repair. If you do not, we can perform any maintenance, repairs or improvements we think necessary, and add the costs to the Loan Amount. Any repairs or improvements form part of our security. Before commencing any repairs or improvements, or before making any additions, you will first obtain our written consent therefor, and you agree that prior to our giving such consent, we may require that you engage or promise to engage competent architects, engineers, designers, contractors and tradespersons.

**14.11 Quiet Possession On Default**

If you default in any of your obligations under the Mortgage or any Loan Documents, we will have quiet possession of the Land free from all encumbrances, claims or other interests, excepting only for those to which we have agreed in writing to subordinate our Mortgage. We may, by notice to you, require you to vacate the Land and remove all of your belongings from it.

**14.12 Other Obligations And Agreements**

You will comply with every other covenant, promise and agreement you have made to us, or which you may hereafter make to us, as if every one were set out as a specific covenant in this paragraph 14.



**14.13 Further Assurances**

You will at your expense give further security, sign any other document, and do anything further which we think necessary to ensure that your interest in the Land is fully mortgaged to us, and that the Loan Amount is adequately secured.

**14.14 Default**

You acknowledge the terms and conditions of any commitment letter (and any amendments thereto, any reference to the "commitment letter" in the Mortgage to mean the commitment letter as originally signed and all amendments which may be made from time to time) relating to this Mortgage and that such terms and conditions are included in and incorporated by reference in the terms hereof and shall not merge in this Mortgage and that default hereunder or under the commitment letter will constitute default herein and vice versa; provided that in the event of any conflict between the provisions of any commitment letter and this Mortgage, the terms of this Mortgage shall govern. If you default on the terms of any prior encumbrance or any other loan or mortgage with us, we may consider you in default under this Mortgage. If you default under this Mortgage, we may consider you in default of any other loan or mortgage with us.

**14.15 No Change In Use**

As long as the Mortgage remains undischarged, you will not change or permit any change in the use of the Land (even if the same is permitted by applicable law) from the use which has been approved of by us, and you will not request or support any rezoning or other change regarding usage of the Land without obtaining our prior written consent.

**14.16 Inspections**

We or an agent appointed by us, may, at any time, before and after default, and for any purpose deemed necessary by us, enter upon the Land to inspect the Land and all buildings thereon. Without in any way limiting the generality of the foregoing, we (or our agents) may enter upon the Land to conduct any environmental testing, site assessment, investigation or study deemed necessary by us and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by you forthwith and shall be a mortgage upon the Land. The exercise of any of the powers enumerated in this clause shall not deem the Credit Union, CMHC, or other mortgage default insurer or their respective agents to be in possession, management or control of the Land.

**14.17 Other Claims or Liens**

You will not allow any builders' lien to remain undischarged on the title to the Land for more than 30 days unless:

- (a) you diligently dispute the validity of the lien by taking all necessary steps to do so;
- (b) you provide us satisfactory security to pay the lien and all legal costs in full on a full indemnification basis;
- (c) you authorize us to use such security to pay out and discharge the lien and all legal costs incurred by us and by a valid lien claimant.

If any lien, security interest or other charge affects the Land and we deem it necessary to protect out interests under this Mortgage, we may pay the amounts of such lien, security interest or charge and all amounts so paid shall be added to the Loan Amount and shall be payable by you.

**14.18 Construction and Construction Advances**

If funds are advanced to you for the purpose of paying for any construction, renovation or addition to any buildings on the Land, the following provisions apply:

- (a) we may make advances, in our discretion, based on the progress of construction. We will decide when and how much money to advance, taking into account the state of completion of the construction, renovation or addition and the cost of completion;
- (b) we may withhold funds from any advance to ensure compliance with *The Builders' Liens Act*;
- (c) If this is a construction mortgage, we may require that accrued interest on progress advances from the date of those advances be paid periodically. We may deduct accrued interest from the principal amount of any advance. If the Mortgage Principal Amount is not fully advanced by the I.A.D., the I.A.D. will be changed to be the date of the final advance. The Last Payment Date and Balance Due Date shall also be changed. If the Loan Documents do not set out an I.A.D., the I.A.D. shall be deemed to be the date of the final advance.

**14.19 Foreign Resident**

If you are a resident for tax purposes of a country other than Canada and your country of residence charges a withholding tax on the interest portion of your payment to us, you will pay the amount withheld to us in order that we may receive the full amount of your interest payment free of such withholding tax. You are solely responsible for paying any and all withholding taxes and will provide proof of payment to us upon request. Any withholding tax deducted from payments owing to us, that we are required to pay or that we choose to pay on your behalf shall be added to the Loan Amount.

**14.20 Renting the Land (Mortgages of Single Family Residences only)**

Unless you advised us that the Land was not going to be occupied by you as your home and that you intended to rent it to a tenant, you will at all times during the Term occupy the Land as your home. You may only rent the Land with our consent, which may, at our option, be withheld. Any and all costs incurred by us, including the cost of dealing with a tenant to obtain vacant possession of the Land in the event of a sale of the Land as a result of your default under this Mortgage, shall be added to the Loan Amount.

**14.21 New Home Warranty**

If a warranty under *The New Home Warranty Act* applies to a building on the Land, you will comply with all requirements to maintain the validity of such warranty. Any costs paid by us to comply with or enforce your rights under the warranty will be added to the Loan Amount.

**14.22 Deposit Account for Payments**

You will keep and maintain a deposit account at a Canadian financial institution and you will authorize us to withdraw from that account automatically for each payment when it is due. You will keep enough money in the account to ensure that each payment can be made when due. You will not cancel the authorization to make automatic withdrawals or close the account without our consent. If your financial institution, for any reason such as insufficient funds or the closure of the account, refuses the pre-authorized withdrawal, you will be charged by us for any fee charged by your financial institution.

**15. PROTECTING OUR INTERESTS**

We have the right to do anything which we feel necessary to protect our interests in the Land and to secure payment of the Loan Amount. This may include, but not be restricted to, such things as:

- (a) paying Taxes, liens or encumbrances;
- (b) entering, inspecting, surveying or appraising the Land. Entry by us shall not make us a mortgagee in possession or responsible for the obligations of a mortgagee in possession and we may do any of these things both before and after any default by you under this Mortgage;
- (c) managing, caretaking, or leasing the Land and collecting the rents and profits;
- (d) insuring the Land or crops;
- (e) repairing, maintaining or improving the Land, or finishing any uncompleted structure;
- (f) working, breaking, summer fallowing, controlling weeds, harvesting or otherwise farming the Land;
- (g) fulfilling any of your obligations or agreements expressed or implied in the Mortgage, which you have failed to fulfill;
- (h) doing any other thing which in our sole opinion is necessary to preserve the value of the Land, perfect the Mortgage or collect the Loan Amount.

These things may be done without notice or your consent, and at your expense. For these purposes, we and our agents may enter on the Land at all reasonable times without interference from you. While you agree that we have the rights described in this paragraph 15, you also agree that we are under no

obligation to exercise any of those rights, and that if we do exercise them, you will have no claim against us by reason of anything which we did (or omitted to do) in exercising any of such rights.

#### 16. OTHER CHARGES

All costs which we customarily charge, or may pay or be liable to pay will be deemed to be Other Charges and shall be paid by you as such. They may include, but are not restricted to:

- (a) costs incurred in placing or perfecting the Mortgage security, including survey and legal costs;
- (b) our service charges and processing fees payable on application, appraisal, renewal, extension, amendment, transfer, discharge, prepayment, preparation of assumption statements, life or disability insurance premiums, or any other service charge announced by us at any time;
- (c) all costs of doing anything we are entitled to do under the Mortgage, including those things listed in the previous paragraph 15;
- (d) all costs of enforcing our rights and remedies under the Mortgage, and of any proceedings to take possession of, lease, manage or foreclose the Land, appoint a receiver or do anything else we are entitled to do;
- (e) all costs incurred by us as a secured creditor under the *Bankruptcy and Insolvency Act* (Canada); particularly, those costs imposed upon us due to proposals and the stay provisions of that act.

In all cases, such costs include our legal fees on a lawyer-client basis, and a reasonable allowance for the time and service of our employees and all the expenses of professionals and consultants incurred by us under the *Bankruptcy and Insolvency Act* (Canada).

These Other Charges are added to the Loan Amount and bear interest from the date they are paid by us. They are part of the Loan Amount, secured by the Mortgage and are a charge upon the Land. They are payable immediately upon being paid by us. When we pay any such charge, we stand in the legal position of the creditor so paid.

#### 17. OUR REMEDIES ON DEFAULT

If you default in any payment or other obligation under this Mortgage or the Loan Documents, we may take any one or more of the following remedies as permitted by law:

##### 17.1 Sue

We may demand payment of the Loan Amount and sue you for it.

##### 17.2 Take Possession And Lease

If you default in making any payment of the Loan Amount for one month, we can take possession of the Land and lease it on such terms and for whatever period we may decide upon to any maximum period allowed by law. We may also lease the Land or any portion or portions thereof without taking possession thereof.

##### 17.3 Collect Rents And Profits

We may collect the rents and profits from the Land, and if they are not sufficient to pay the Loan Amount, you will owe us the deficiency.

##### 17.4 Distrain

Except where the Land is residential premises, we may enter and seize goods on your Land, and sell them to recover the unpaid balance of the Loan Amount. You expressly waive any defect or irregularity with respect to such seizure.

##### 17.5 Sell

If your default continues for thirty days, we may on notice to you as required by the Act or a court, sell all or any part or any parts of the Land. Any sale can be for cash, credit, or part cash and part credit, by public auction or private contract, and for such price as we can obtain. We are not accountable for sale proceeds until we actually receive them. If net sale proceeds are not sufficient to pay the Loan Amount, you will owe us the deficiency. No lack of notice or irregularity invalidates the sale, and if you or anyone claiming under or through you has any claim arising by virtue of the sale, that claim will be asserted against us alone, and in any event will not be asserted against the Land or anyone who purchases the Land (or any portion or portions thereof) from us, and those claiming under and through any such purchaser.

##### 17.6 Foreclosure

If the Land is not sold after we obtain an order for sale, we can foreclose. If we obtain a final order of foreclosure, the Land belongs to us.

##### 17.7 Appoint Receiver

If you are in default in the observance or performance of any of the terms, conditions, covenants or payments described herein or in any additional security given by you to us then we can, in writing, appoint any person or persons whether our officer or officers or employee or employees, or not, to be a receiver or receivers of the Land and assets which are charged in our favour and the rents and the profits derived therefrom, and can remove any receiver or receivers so appointed and appoint another or others in place of such receiver or receivers. The term "receiver" as used in this Mortgage shall include a receiver, a manager or a receiver and manager. The following provisions shall apply to this paragraph:

- (a) A receiver or receivers so appointed are conclusively your agent or agents and you shall be solely responsible for the acts or defaults and for the remuneration and expenses of the receiver or receivers. We shall not be in any way responsible for any misconduct or negligence on the part of any receiver or receivers and may, from time to time, fix the remuneration of every receiver or receivers and be at liberty to direct the repayment thereof from the proceeds collected.
- (b) Nothing contained herein and nothing done by us or by a receiver or receivers shall render us a mortgagee in possession or responsible as such.
- (c) All monies received by the receiver or receivers after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the receiver or receivers can be applied in or towards satisfaction of the monies owing pursuant to this Mortgage.
- (d) The receiver or receivers so appointed shall have power to:
  - (i) take possession of, collect and get in the Land or any part thereof, rents and profits thereof, and the subject matters of any additional security granted by you to us and for that purpose to take any proceedings, be they legal or otherwise, in your name or otherwise;
  - (ii) carry on or concur in carrying on the business which you are conducting on and from the Land;
  - (iii) lease or re-lease all or any portion of the Land and for this purpose to execute contracts in your name, which contracts shall be binding upon you; and
  - (iv) take such other action as may be authorized or directed by us in writing to the receiver or which may be granted to the receiver by a court.

The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which we may have from time to time.

##### 17.8 Other Remedies

We may pursue any other remedy which is permitted by law. If, in enforcing any of our remedies, we enter into possession of the Land, you will not interfere with our possession or with the possession of any receiver or any person to whom the Land is leased or sold. You will make no claim against any person to whom the Land is leased or sold. If you have any claim concerning the Land, it is only against us and only for money damages. All costs we incur in enforcing any of these remedies are payable by you as explained in paragraph 16.

### 17.9 Additional Security

If you have given us a security interest in any other property to secure the Loan Amount, we may take steps to enforce such security interest either before or after or at the same time as enforcing this Mortgage. Any money recoverable in connection with the other property will be applied against the Loan Amount without affecting our rights of enforcement under this Mortgage.

### 17.10 Our Obligation To Make Further Advances Ends

We shall have no further obligation to advance any monies or other value secured or intended to be secured by this Mortgage.

### 17.11 You Are Not Relieved Where We Remedy Your Default

If we take action to remedy any failure by you to perform any of your obligations (as referred to in paragraph 15 of this document), and notwithstanding that we exercise our consequent right to add the costs thereby incurred by us to the Loan Amount, such remedying by us will not relieve you from the other consequences of default hereunder and our remedying of your default will not be considered to be a remedying of same by you.

## 18. RIGHTS CUMULATIVE

The rights and remedies we have under the Mortgage are in addition to, and not in substitution for, any rights, remedies or powers which we may now or in future have under any law or statute or otherwise, including by way of agreement with you or with those claiming under or through you who have the right and power to grant us rights and remedies. Where we exercise any right or remedy on any one occasion, this will not be taken by you or anyone claiming under or through you that we have exhausted our entitlement to exercise such right or remedy, and we shall be entitled to exercise such rights or remedies on any number of subsequent occasions as we deem appropriate.

## 19. NON-MERGER

If we obtain any court judgment against you in any action to enforce our rights and remedies, such judgment does not prevent us from pursuing our other remedies or our rights to enforce your other obligations, including our right to receive interest as required by the Mortgage.

## 20. DELAY IN ENFORCEMENT

No delay in enforcing any of our rights under the Mortgage affects the validity of those rights, or our ability to enforce them at any time. If we do not immediately enforce any obligation you have failed to perform, our delay does not waive or cure any existing default, and does not justify your default or delay on any other occasion. No default is waived or cured except by our written agreement. Just because we waive or forgive payment or performance of any of your obligations under this Mortgage on any particular occasion, this is not to be taken by you (or anyone else claiming under or through you) that we will waive or forgive performance of any of your other obligations on any subsequent occasion.

## 21. ADVANCES OF THE MORTGAGE PRINCIPAL AMOUNT

### 21.1 Advances After Signing

If any part of the Mortgage Principal Amount is not advanced at the date you sign the Mortgage, we may advance it in one or more advances at any future time, and such future advances are secured by the Mortgage and repayable with interest as explained in the Mortgage or any Loan Documents.

### 21.2 Credit Union Not Bound To Advance

If for any reason we do not wish to advance all or part of the unadvanced Mortgage Principal Amount, we are not bound to do so. This applies even if the Mortgage has been signed and registered, and whether or not any part of the Mortgage Principal Amount has already been advanced. Even if we do not advance all or part of the Mortgage Principal Amount, you have mortgaged all of your interest in the Land to us, and you are required to pay us all our costs and expenses (including legal fees on a lawyer-client basis) for investigating your loan application and title, and preparing and registering the Mortgage. Such costs and expenses are secured by the Mortgage, are a charge on the Land, and are payable immediately, with interest at the Interest Rate.

Without limiting our discretion to refuse any advance of the Mortgage Principal Amount for any reason, we may so refuse if:

- (a) the facts have changed materially from those shown on the loan application;
- (b) there has been any misrepresentation;
- (c) any lawyer's report on investigation of your title or as to the status of this Mortgage or any other security is unsatisfactory to us, or suggests that we will not receive a valid, enforceable Mortgage; or
- (d) funds have not been advanced on or before any commitment date we may have indicated in your loan approval (or other date which we have specified as a deadline for advancement of some or all of the funds to be secured by this Mortgage).

## 22. PARTIAL RELEASE AND POSTPONEMENT

At our discretion, we may at any time release our interest in all or part of the Land, whether or not we receive payment for doing so, and be accountable to you only for money we actually receive. If we release our interest in part of the Land only, the remainder will continue to secure the Loan Amount, and the obligations of you and any Covenantor continue unchanged.

We may also release any Covenantor or other Borrower from any or all obligations under the Mortgage, whether or not we receive payment for doing so, and be accountable to you only for money we actually receive. Such a release does not affect the obligations of any remaining Covenantor or Borrower. We may also postpone this Mortgage, in whole or in part, and on such terms as we deem appropriate, in favour of any other encumbrance, claim or other interest now or hereafter existing, and if we do the foregoing or any of the foregoing, this shall not in any way and to any degree whatsoever release or discharge you, or any other person who is, in whole or in part, responsible for payment of the obligations secured by this Mortgage, nor will the same release or entitle you to a release of any security held by us, including the security constituted by this Mortgage.

## 23. ATTORNMENT

To better secure the punctual payment of the Loan Amount, you attorn tenant to us, at a periodic rent equal to the periodic payments due under the Mortgage. The legal relationship of landlord and tenant is created, but we can at any time after a default under the Mortgage, terminate the tenancy without giving notice. Provided, however, and it is hereby agreed that neither this clause nor anything done by virtue thereof shall render the Credit Union a mortgagee in possession or accountable for any monies except those actually received.

This paragraph does not apply to a "rental unit" comprising all or any part of the Land, as that term is defined in *The Residential Tenancies Act* (Manitoba) and amendments thereto.

## 24. EXPROPRIATION

If all of the Land is expropriated, the Loan Amount will become immediately due and payable. If part of the Land is expropriated, all amounts you are paid for any expropriation, whether a complete or partial expropriation, will be paid to us and applied to the Loan Amount. If in our opinion the balance of the Land does not adequately secure the Loan Amount, then the Loan Amount or so much of it as we determine, will immediately become due and payable together with prepayment penalty, if any. You will direct the expropriating authorities to send all expropriation proceeds to us, but if you at any time come into control or possession of same, you will hold same in trust for us.

## 25. SUBDIVISION

If you subdivide the Land, the Mortgage will continue to apply to each subdivided parcel, and each parcel will be subject to the Loan Amount owing. We may release one or more parcels without affecting your obligations under the Mortgage. Nothing in this paragraph 25 shall be taken by you (or anyone claiming under or through you) that we have given or may hereafter give our permission to subdivide the Land.

## 26. CONDOMINIUM

If the Land is a condominium unit registered under *The Condominium Act*, you agree to the promises set out in this paragraph 26.

**26.1 Compliance With The Condominium Act And Declaration**

You will comply with *The Condominium Act* and the declaration, by-laws, and rules of the condominium corporation (the "Corporation") of which you are a member.

**26.2 Common Expenses**

You will pay when due your share of the common expenses of the Corporation and all other levies made by the Corporation against the unit. If you do not, we can pay that amount for you and add it to the Loan Amount so that it will bear interest at the Interest Rate, be secured by the Mortgage and form a charge on the Land. We can also deduct any such expenses or levies from any advance which we may make which is to be secured under this Mortgage.

**26.3 Authorization To Vote**

You authorize us both before and after default to exercise any rights you have as owner to vote for, act on or consent to any matter relating to the condominium property or to the affairs of the Corporation. Provided that we will have no responsibility to you regarding our exercise (or non-exercise) of the rights granted to us in this paragraph, and if and when we do exercise such rights, we shall have no responsibility to do so in a manner for your benefit or which protects your interests.

**26.4 Insurance**

Unless the unit is a bare land Condominium Unit where the Corporation has no obligation to insure the units, in which case the insurance provisions set out in paragraph 14.7 shall apply, you or the Corporation of which you are a member by virtue of your title to the unit, or both of you, will at all times insure the unit and keep it insured with insurance in an amount of not less than one hundred percent (100%) of the full replacement cost of, with coverage against (at least) the perils of fire and standard extended coverage on, each and every building on the Land and which may hereafter be erected thereon, both during erection and thereafter. Each policy of insurance arranged by you shall provide that loss, if any, shall be payable to the Credit Union as its interest may appear and shall contain the standard mortgage clause approved by the Credit Union. You and the Corporation will deliver to the Credit Union, certificates of insurance or, if required by the Credit Union, certified copies of each such insurance policy, as soon as practicable after the placing of the required insurance. All such policies arranged by you shall contain an undertaking by the insurers to notify the Credit Union in writing not less than fifteen (15) days prior to any material change, cancellation, failure to renew, or termination thereof. If you fail to take out or to keep in force any such insurance, or should any such insurance not be approved by the Credit Union, and should you not rectify the situation within ten (10) days after written notice by the Credit Union to you, the Credit Union has the right, without assuming any obligation in connection therewith, to effect such insurance at your sole cost and expense. If the Credit Union is obligated to pay any premiums or sums of money for insurance for the premises or any part thereof the amount of such payment shall be added to the debt secured by the Mortgage and shall bear interest at the same rate applicable to principal as set out in the Mortgage from the time of such payments and shall be payable at the time appointed for the next ensuing paying of interest on the said debt. On the happening of any loss or damage, you or the Corporation or both shall comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the foregoing, your obligation to observe and perform all the duties and obligations imposed on you by *The Condominium Act* and the Declaration and By-Laws of the Corporation as hereinafter provided. You shall comply with the insurance provisions of the Declaration; and you, as a member of the Corporation, shall seek the full compliance by the Corporation of the aforementioned covenants.

To the extent that you have assigned your voting rights in connection with any matter relating to (i) insurance, (ii) repair after damage or (iii) withdrawal from *The Condominium Act*, to us, such assignment shall take the place of any requirement that loss payable under the policy of insurance covering the units and the common elements be payable to us.

If a sprinkler system or a steam boiler or any other thing or apparatus generating steam or operated by steam shall be installed or operated on the land or in any building in which the whole or any part of the unit is situate, you or the Corporation or both of you shall insure and during the continuance of this Mortgage keep insured the buildings on the said land or any buildings in which the whole or any part of the unit is situate against loss or damage caused by such sprinkler system or by such boiler or other thing or apparatus or bursting or explosion thereof or defect therein to the full replacement value of such buildings.

**26.5 More Than One Condominium Unit**

If the Land comprises two or more condominium units registered under *The Condominium Act*, then you agree:

- (a) that the foregoing provisions of this paragraph 26 will apply to such units;
- (b) that your right to receive from us a statement of the debts secured by this security once every twelve months, or as needed for pay off or sale (pursuant to the provisions of *The Mortgage Act*) shall be deemed not to apply separately to each condominium unit;
- (c) that no sale of individual units will be permitted without our prior written consent;
- (d) that you will not invoke any provision now or in the future existing under *The Condominium Act* as from time to time amended, replaced or supplemented or under any other statute or law respecting pre-payment in whole or in part of the obligations secured by this security, the intent hereof being that this security shall continue to mortgage and charge each of the condominium units comprising the Land and that each of such units shall be subject to the payment, fulfillment and performance of all of the obligations hereby secured. If you or any other person or persons invokes any such provisions or any similar rights which has the effect of defeating or nullifying the purpose or intention of this provision, then, at our option, this shall constitute default under this security.

**26.6 Acknowledgment Of Mortgage**

You will cause each of the Corporation and the insurance trustee (if any) to acknowledge to us in writing, the existence of this Mortgage and our address for the provision of notices to us.

**26.7 Termination Of Condominium Status**

If a Notice of Withdrawal in respect of the condominium property is registered under *The Condominium Act* then such occurrence will be and be deemed to be an event or occurrence of default under this Mortgage.

**27. IMPROVEMENT TO LAND**

If you make any improvement to the Land (including any new construction, or any alteration, repair, addition, or demolition) we require you to submit any contracts, plans and specifications to us for approval before the work begins. You will not proceed with the work without our consent. You will complete the work as quickly as possible, in accordance with all government requirements and building standards, at your expense, and provide us with proof of payment and proof of compliance with such government requirements on request. You must withhold all required builder's lien holdbacks and you must also comply with all of your other obligations under *The Builders' Liens Act*. We may withhold any advances until we are satisfied that you have complied with your obligations to pay the cost of improvement and we may also withhold from any advance all such other amounts as we are entitled to withhold pursuant to any other agreement between us. We may obtain a court order removing any construction lien, and if necessary provide financial guarantees or other security to enable us to obtain such an order. All our costs of doing so will form part of Other Charges.

**28. RENEWAL, AMENDMENT, EXTENSION**

- (a) We may at any time agree with you in writing to renew the term of the Mortgage, to amend its terms, or to extend the time for payment. No such agreement will adversely affect the validity of the Mortgage or your liability under it, and any such agreement is binding even if it is not registered at the land titles office. However, we may require that any amendment be registered at the land titles office, and in that case, you will ensure that all consents or postponements required, in order to enable the amendment to be so registered, are properly given and obtained at your sole cost;
- (b) If we agree to renew the term of the Mortgage and send you a mortgage renewal agreement and you do not sign and return it to us by the date required, the Mortgage will, at our option, be renewed on the terms set out in the mortgage renewal agreement;
- (c) if we do not agree to renew the Mortgage or extend the time for payment or we have sent you a mortgage renewal agreement but you do not sign and return it to us by the date required and we have decided not to renew the term of the Mortgage you will be required to pay the Loan Amount on the date of maturity of the Mortgage, failing which we may, at our option, charge you interest at the prevailing rates at that time. If we accept any payments after maturity of this Mortgage, this will not, in the absence of an agreement to renew or otherwise amend this Mortgage, be treated by you or anyone else as meaning that we have agreed to extend the time for payment.

**29. COVENANTOR**

Each Covenantor promises and agrees as principal debtor to pay the Loan Amount secured by and payable under the Mortgage, as and when required by the Mortgage, and to fulfill all of the other obligations of the mortgagor under the Mortgage. This promise is a condition of the loan. No partial release of our security, and no agreement to renew, amend or extend the Mortgage and no other act or omission by us which, in the absence of this provision, would release any Covenantor in whole or in part, will reduce the liability of the Covenantor under the Mortgage. We may require payment from the Covenantor before having attempted to obtain payment from the Borrower. The obligations of the Covenantor are binding on the Covenantor's Successors, and are not altered by the bankruptcy or insolvency of the Borrower. Until all of the Borrower's obligations under this Mortgage have been paid and fulfilled, each Covenantor postpones and shall postpone all claims which each may have against the Borrower, and each Covenantor hereby assigns all of such claims, present and future, to the Credit Union. Without limiting the aforementioned obligations of each Covenantor, each Covenantor also agrees to indemnify the Credit Union with respect to any and all losses sustained by the Credit Union, which occur as a result of any default under this Mortgage.

Each Covenantor agrees that the Covenantor's obligations under it will continue and will not be affected in any way by any one or more of the following actions or events:

- (a) the closing of your account with the Credit Union;
- (b) the receipt of payments on account of your debts to the Credit Union;
- (c) the release of any security for the Covenantor's or your obligations;
- (d) the release of any other Covenantor;
- (e) the death or loss of capacity of you or the Covenantor;
- (f) the change of your name, or if you are a partnership, society or corporation, any change in your membership, ownership, internal structure or organization;
- (g) the bankruptcy of you or any other Covenantor;
- (h) our failure to take any steps to collect from you, to realize on any securities provided by you or to pursue collection from any trustee in bankruptcy of yours;
- (i) our failure, on a sale of any collateral pledged as security for your obligations, to realize enough proceeds to pay your obligations to us in full;
- (j) our failure to give notice to the Covenantor of any dealing between us and you or any dealing with any collateral pledged as security for the Covenantor's or your obligations;
- (k) any agreement between us and you to change or extend the terms of repayment of your debt to us or to add to, change or modify any collateral pledged as security for your debt;
- (l) any agreement or decision by us not to take steps to collect the monies owing from you or to take no action on any collateral pledged as security to us; or
- (m) a finding by a court that we may not be able to enforce payment of interest by you.

**30. CORPORATE BORROWER**

If you are a corporation, you agree that:

- (a) we may consider any change in the voting control of the corporation, without our prior written consent, to be a default; and
- (b) at our option, you will, annually within 90 days of the end of your fiscal year, provide us with audited financial statements of income and expenditures with supporting schedules, covering your operations for the previous fiscal year, or such other financial information or statements at such time or within such periods as we may in our discretion require.

**31. ASSIGNMENT OF LEASES**

If you have leased, or in future do lease any part of the Land, then you will, if you have not already done so, at our request assign to us each lease and/or the right to receive all money payable under it. You also agree to give us security on chattels, fixtures and equipment and pay our entire costs relating to such security as Other Charges. You agree to obtain our prior written consent for any future lease of part of the Land. Any leasing by you will be made in accordance with the requirements of applicable law, including, where applicable, *The Residential Tenancies Act* (Manitoba), and you will, at our request and at your expense, from time to time provide us with evidence of such compliance. You will ensure that any lease for a part of the Land is subordinate to our security, and if requested by us, you will, at your cost, ensure that each tenant undertakes to attorn tenant to us if and when we require this to be done. You will not further mortgage or assign any of the leases to any other person or persons. You will from time to time advise us as to the status of each lease and you will not amend the terms of any lease unless we consent to this in writing. You will not accept any prepayment of rent under any lease without our written consent. You will indemnify us against all claims which may be made against us by virtue of any breach by you of any of your obligations as landlord under any lease, and your obligations under this indemnification shall be secured by this Mortgage and this indemnification shall survive the discharge of this Mortgage.

**32. RELEASE OF INFORMATION**

You authorize us to release information about you or the Mortgage to any person claiming a builder's lien on the Land, a credit bureau, another credit grantor, or any other person as permitted or required by law. This authorization shall extend to all enquiries about you made at any time by a credit bureau or other lender, whether proposed or actual. The Credit Union may share information about you and this Mortgage to the extent required or desirable to induce other financial institutions to acquire an interest in this Mortgage, by way of purchase, syndication or otherwise, except in this event the Credit Union shall ensure that such other financial institution shall undertake to protect your private and confidential information.

**33. EFFECT ON OTHER OBLIGATIONS AND SECURITY**

This Mortgage is in addition to and not in substitution for any other security at any time held by us for all or any part of the Loan Amount secured by the Mortgage and it is agreed that we may pursue our remedies thereunder or under the Mortgage concurrently or successively at our option. Any judgment or recovery under the Mortgage or under any other security held by us for the Loan Amount secured by the Mortgage shall not affect our right to realize upon the Mortgage or any other security.

**34. WHO IS BOUND**

The Mortgage binds each Borrower and Covenantor and their respective Successors. It binds and benefits us and our Successors.

If more than one person has signed as Borrower or Covenantor, each person is jointly and severally liable to fulfill all of the obligations under the Mortgage.

**35. NOTICE**

You agree that we may provide notices to or communicate with you in writing, by mail or by personal delivery to you or by such other means as we may both agree. If you have provided to us an e-mail address or fax number, you agree that, to the extent allowed by law, we may use e-mail or facsimile transmission, as the case may be, as a means of communicating with you. We may use the latest postal, street or e-mail address or fax number that you have provided to us. You may change the postal, street or e-mail address or fax number at which you wish to receive communications from us by any written means, but until you have actually communicated such change to us by post, personal delivery, facsimile transmission or e-mail, we may continue to use the most recent postal, street or e-mail address or fax number that you have provided to us.

You may give notice to us by personal delivery to the manager of the branch office with which you deal, by prepaid ordinary or registered mail addressed to us at our address shown in the Mortgage Document, by e-mail or facsimile transmission.

Notice is deemed given on the date of personal delivery, e-mail or facsimile transmission, or on the fifth day after mailing. If there is a disruption in the mails, or a disruption occurs within five days after mailing, then no notice will be given by mail, and if one has already been given, it will be given again other than by way of mailing.

**36. TIME**

Time is of the essence.

**37. HEADINGS**

Headings are for convenience of reference only. They are not a part of the body of the Mortgage, and they do not affect the interpretation of the Mortgage.

**38. PARTIAL INVALIDITY**

If any term of the Mortgage should be found by a court to be invalid or illegal or unenforceable, that term does not apply but the rest of the Mortgage remains in full force and effect.

**39. GOVERNING LAW**

The Mortgage, and any matter arising from it, is governed by the law of the Province of Manitoba.

**40. CURRENCY AND PLACE**

All payments made under the Mortgage shall be made in Canadian dollars at the branch of the Credit Union at which you regularly deal, unless you are otherwise instructed in writing.

**41. MORTGAGE OF ESTATE**

For better securing to us the repayment of the Loan Amount secured by the Mortgage and the performance of all of your other obligations under the Mortgage and any Loan Documents at the times and in the manner provided in the Mortgage, you hereby mortgage to us all your estate and interest in the Land.

**42. NO RELEASE BY VIRTUE OF DEALINGS WITH SUCCESSORS**

To the extent not prohibited by applicable law, any dealing by us with your permitted Successors, including without limitation, any arrangement for amending any of the terms of this Mortgage or any Loan Documents (including, without limitation, any amendment increasing the interest rate), will not release you from your obligation to be responsible for payment and performance of the obligations of the Borrower as so amended under this Mortgage or any Loan Documents.

**43. CHANGE IN FAMILY STATUS**

You will advise us of any change in your family status, including marriage, divorce, the registration of a common-law relationship, the registration of a dissolution of a common-law relationship, the establishment by co-habitation of a common-law relationship and ceasing to cohabit with a common-law partner and if any such change occurs, we are entitled to require you and such other person or persons as we deem necessary to confirm or reconfirm in writing responsibility for payment and performance of the obligations of the Borrower under this Mortgage and any Loan Documents. If an order regarding a right of occupancy is made under *The Family Maintenance Act*, you will promptly advise us.

**44. CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)**

If CMHC is the mortgage default insurer of the Mortgage, this Mortgage is made under the *National Housing Act*.

**THE MORTGAGE ACT PROVIDES THAT YOU CAN OBTAIN FROM US, FREE OF CHARGE, A STATEMENT OF THE AMOUNTS SECURED BY THE MORTGAGE ONCE EVERY TWELVE MONTHS, OR AS NEEDED FOR SALE OR DISCHARGE.**

**THIS IS EXHIBIT "48" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

PPR SEARCH RESULTS							
COLLISION KINGS GROUP INC.							
ALBERTA							
File No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
746337132	2018-Nov-29	COLLISION KINGS GROUP INC.	ROYAL BANK OF CANADA	ALL-PAAP Collateral Classifications: I, E, A & O			
765584181	2020-Sept-09	COLLISION KINGS GROUP INC.	THE TORONTO-DOMINION BANK	Collateral Classifications: A & O			
765584235	2020-Sept-09	COLLISION KINGS GROUP INC. 2199931 ALBERTA LTD.	THE TORONTO-DOMINION BANK	Collateral Classifications: A & O			
789414309	2022-Dec-19	COLLISION KINGS GROUP INC.	THE TORONTO-DOMINION BANK	Collateral Classifications: I, E, A, O & M			

COLLISION KINGS GROUP INC.							
SASKATCHEWAN							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
301951232	2019-Sept-11	COLLISION KINGS GROUP INC. 2199931 ALBERTA LTD.	THE TORONTO-DOMINION BANK	ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY 2199931 ALBERTA LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL			



<b>COLLISION KINGS GROUP INC.</b>							
<b>SASKATCHEWAN</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
				PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.			

<b>CDM HOLDINGS INC.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090928663	2020-Sept-09	CMD HOLDINGS INC.	THE TORONTO-DOMINION BANK	ALL-PAAP			
20090928779	2020-Sept-09	CMD HOLDINGS INC.	THE TORONTO-DOMINION BANK	ALL-PAAP			
20092419409	2020-Sept-24	CMD HOLDINGS INC. 2270683 ALBERTA LTD. COLLISION KINGS GROUP INC.	5993092 MANITOBA LTD.	ALL-PAAP			
21112426005	2021-Nov-26	CMD HOLDINGS INC. MAYLAND HEIGHTS COLLISION LTD. COLLISION KINGS	CWB NATIONAL LEASING INC.	PMSI Parts in agreement No. 3079144			
23100330928	2023-Oct-03	CMD HOLDINGS INC.	CHRISTOS STATHONIKOS FAMILY TRUST	ALL-PAAP			

CDM HOLDINGS INC.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
			MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST DOMNA INVESTMENTS INC. 1427913 ALBERTA INC. 1427916 ALBERTA INC				
23122820089	2023-Dec-28	CMD HOLDINGS INC.	TORONTO-DOMINION BANK	Land Charge			

EAST LAKE COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
20090929067	2020-Sept-09	EAST LAKE COLLISION LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
21011905385	2021-Jan-19	EAST LAKE COLLISION LTD DBA CARSTAR CALGARY EAST LAKE	HEFFNER AUTO SALES AND LEASING INC.	EQUIPMENT ON INVOICE 71525 FROM LEANTECH L. # J2101001			

EAST LAKE COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
23100331415	2023-Oct-03	EAST LAKE COLLISION LTD.	CHRISTOS STATHONIKOS FAMILY TRUST MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.	ALL-PAAP			
23122819913	2023-Dec-28	EAST LAKE COLLISION LTD.	TORONTO-DOMINION BANK	Land Charge			
24011630733	2024-Jan-16	EAST LAKE COLLISION LTD. (as Debtor)	2289739 ALBERTA LTD (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00644 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other			

<b>EAST LAKE COLLISION LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
				Original Judgment Amount: \$8,472.79			
24011714763	2024-Jan-17	EAST LAKE COLLISION LTD. (as Debtor)	TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00642 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$27,234.29			

<b>MAYLAND HEIGHTS COLLISION LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090929184	2020-Sept-09	MAYLAND HEIGHTS COLLISION LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
21112426005	2021-Nov-24	MAYLAND HEIGHTS COLLISION LTD. CMD HOLDINGS INC. COLLISION KINGS	CWB NATIONAL LEASING INC.	PMSI Parts in agreement No. 3079144			

<b>MAYLAND HEIGHTS COLLISION LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
23100331681	2023-Oct-03	MAYLAND HEIGHTS COLLISION LTD.	CHRISTOS STATHONIKOS FAMILY TRUST MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.	ALL-PAAP			
23122819980	2023-Dec-28	MAYLAND HEIGHTS COLLISION LTD.	TORONTO-DOMINION BANK	Land Charge			

<b>SUNRIDGE COLLISION LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090929626	2020-Sept-09	SUNRIDGE COLLISION LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
21011905317	2021-Jan-19	SUNRIDGE COLLISION LTD DBA CARSTAR CALGARY SUNRIDGE	HEFFNER AUTO SALES AND LEASING INC.	EQUIPMENT AS PER INVOICE 71527 FROM			

SUNRIDGE COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
				LEATECH L. # J2101001			
23100331273	2023-Oct-03	SUNRIDGE COLLISION LTD.	CHRISTOS STATHONIKOS FAMILY TRUST MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.	ALL-PAAP			
23122819557	2023-Dec-28	SUNRIDGE COLLISION LTD.	TORONTO-DOMINION BANK	Land Charge			
24011630713	2024-Jan-16	SUNRIDGE COLLISION LTD (as Debtor)	2289739 ALBERTA LTD (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00643 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other			

<b>SUNRIDGE COLLISION LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
				Original Judgment Amount: \$21,798.80			
24011714869	2024-Jan-17	SUNRIDGE COLLISION LTD (as Debtor)	TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00640 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$15,783.03			

<b>ARROW AUTO BODY LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090928409	2020-Sept-09	ARROW AUTO BODY LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
23100331168	2023-Oct-03	ARROW AUTO BODY LTD	CHRISTOS STATHONIKOS FAMILY TRUST	ALL-PAAP			

ARROW AUTO BODY LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
			MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.				
20090928409	2020-Sept-09	ARROW AUTO BODY LTD.	THE TORONTO-DOMINION BANK	Land Change			
24011630188	2024-Jan-16	ARROW AUTO BODY LTD (as Debtor)	2289739 ALBERTA LTD (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00647 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$20,468.53			
24011726490	2024-Jan-17	ARROW AUTO BODY LTD (as Debtor)	TRIPLE R AUTO LTD (as Creditor)	WRIT OF ENFORCEMENT			



ARROW AUTO BODY LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
				Issued in Calgary Judicial Centre Court File Number is 2401-00757 Judgment Date is 2024- Jan-17 This Writ was issued on 2024-Jan-17 Type of Judgment is Other Original Judgment Amount: \$17,786.80			

ROYAL VISTA COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
20090929343	2020-Sept-09	ROYAL VISTA COLLISION LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
21011905672	2021-Jan-19	ROYAL VISTA COLLISION LTD. DBA CARSTAR CALGARY ROYAL OAK	HEFFNER AUTO SALES AND LEASING INC.	EQUIPMENT FROM INVOICE 74524 FROM LEANTECH L. # J2101001			
23100331966	2023-Oct-03	ROYAL VISTA COLLISION LTD	CHRISTOS STATHONIKOS FAMILY TRUST	ALL-PAAP			

ROYAL VISTA COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
			MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.				
23121127018	2023-Dec-11	ROYAL VISTA COLLISION LTD (as Debtor)	CHARLES GLEN LTD (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00647 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$2,209.38			
23122819738	2023-Dec-09	ROYAL VISTA COLLISION LTD.	THE TORONTO-DOMINION BANK	Land Charge			
24011630469	2024-Jan-16	ROYAL VISTA COLLISION LTD (as Debtor)	2289739 ALBERTA LTD (as Creditor)	WRIT OF ENFORCEMENT			

ROYAL VISTA COLLISION LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
				Issued in Calgary Judicial Centre Court File Number is 2401-00646 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$32,080.79			
24011726588	2024-Jan-17	ROYAL VISTA COLLISION LTD (as Debtor)	TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK (as Creditors)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00658 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-17 Type of Judgment is Other Original Judgment Amount: \$19,457.61			

<b>CDM GLASS LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090928536	2020-Sept-09	CMD GLASS LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
23100331554	2023-Oct-03	CMD GLASS LTD.	CHRISTOS STATHONIKOS FAMILY TRUST MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.	ALL-PAAP			
23122819804	2023-Dec-28	CMD GLASS LTD.	THE TORONTO-DOMINION BANK	Land Charge			

<b>STATHKO INVESTMENTS LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
20090929486	2020-Sept-09	STATHKO INVESTMENTS LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			

STATHKO INVESTMENTS LTD.							
ALBERTA							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
23100331814	2023-Oct-03	STATHKO INVESTMENTS LTD.	CHRISTOS STATHONIKOS FAMILY TRUST MATTHEW STATHONIKOS FAMILY TRUST DAVID STRETZ FAMILY TRUST 1427916 ALBERTA INC 1427913 ALBERTA INC. DOMNA INVESTMENTS INC.	ALL-PAAP			
23122819629	2023-Dec-28	STATHKO INVESTMENTS LTD.	THE TORONTO-DOMINION BANK	Land Charge			
24011630758	2024-Jan-16	STATHKO INVESTMENTS LTD (as Debtor)	2289739 ALBERTA LTD (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00645 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$18,737.46			

<b>STATHKO INVESTMENTS LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
24011810804	2024-Jan-18	STATHKO INVESTMENTS LTD	TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK (as Creditor)	WRIT OF ENFORCEMENT Issued in Calgary Judicial Centre Court File Number is 2401-00641 Judgment Date is 2024-Jan-09 This Writ was issued on 2024-Jan-16 Type of Judgment is Other Original Judgment Amount: \$39,006.11			

<b>COLLISION KINGS 3 LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
19072407724	2019-Jul-24	COLLISION KINGS 3 LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
19072407824	2019-Jul-24	COLLISION KINGS 3 LTD. COLLISION KINGS GROUP INC.	THE TORONTO-DOMINION BANK	ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY COLLISION KINGS 3 LTD. PROCEEDS: ALL			

<b>COLLISION KINGS 3 LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
				GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.			
19081336233	2019-Aug-13	COLLISION KINGS 3 LTD.	255318 ALBERTA LTD. DON GOLDEN AUTOBODY LTD.	ALL-PAAP			
19112926872	2019-Nov-19	COLLISION KINGS 3 LTD.	HI TECH BUSINESS SYSTEMS LTD.	Serial numbered good			
21112426005	2021-Nov-24	COLLISION KINGS CMD HOLDINGS INC. MAYLAND HEIGHTS COLLISION LTD.	CWB NATIONAL LEASING INC.	PMSI Parts in agreement No. 3079144			
23122820270	2023-Dec-28	COLLISION KINGS 3 LTD.	THE TORONTO-DOMINION BANK	Land Charge			

<b>BUNZY'S AUTO BODY LTD.</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>

<b>BUNZY'S AUTO BODY LTD.</b>							
<b>MANITOBA</b>							
201813293906	2018-Jul-25	Bunzy's Auto Body Ltd.	Crosstown Civic Credit Union Limited	ALL-PAAP Assignment of Insurance			
202116974705	2021-Sept-21	BUNZY'S AUTO BODY LTD.	FALCON AUTO LEASING INC.	PMSI Assignments of Lease between Falcon Auto Leasing and Bunzy's Auto Body Ltd 2 MOTOR VEHICLES			
202303021401	2023-Feb-27	BUNZY'S AUTO BODY LTD.	MERIDIAN ONECAP CREDIT CORP.	PMSI Compressor and proceeds			
202307065900	2023-May-04	BUNZY'S AUTO BODY LTD. NICK'S REPAIR SERVICE LTD. 10026923 MANITOBA LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
202312273502	2023-Jul-26	BUNZY'S AUTO BODY LTD. NICK'S REPAIR SERVICE LTD.	FALCON AUTO LEASING INC.	PMSI Assignment of Lease between Falcon Auto Leasing and Bunzy's Auto Body Ltd. 1 MOTOR VEHICLE			

<b>10026923 MANITOBA LTD.</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
201821561600	2018-Nov-30	10026923 MANITOBA LTD.	ROYAL BANK OF CANADA	ALL-PAAP			



<b>10026923 MANITOBA LTD.</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
202307065900	2023-May-04	10026923 MANITOBA LTD. BUNZY'S AUTO BODY LTD. NICK'S REPAIR SERVICE LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			

<b>NICK'S REPAIR SERVICE LTD.</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
201821457004	2018-Nov-29	NICK'S REPAIR SERVICE LTD.	ROYAL BANK OF CANADA	ALL-PAAP			
201821478907	2018-Nov-29	NICK'S REPAIR SERVICE LTD.	ROYAL BANK OF CANADA	ALL-PAAP			
201907697709	2019-May-10	NICK'S REPAIR SERVICE LTD.	ROYAL BANK OF CANADA	ALL-PAAP			
202307065900	2023-May-04	NICK'S REPAIR SERVICE LTD. 10026923 MANITOBA LTD. BUNZY'S AUTO BODY LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
202312273502	2023-Jul-26	NICK'S REPAIR SERVICE LTD. BUNZY'S AUTO BODY LTD.	FALCON AUTO LEASING INC.	PMSI Assignment of Lease between Falcon Auto Leasing and Bunzy's Auto Body Ltd. 1 MOTOR VEHICLE			
202320984302	2023-Dec-20	NICK'S REPAIR SERVICE LTD.	Government of Manitoba	ALL-PAAP			

<b>NICK'S REPAIR SERVICE LTD.</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
			Department of Finance Taxation Division	Registered under: The Tax Administration and Miscellaneous Taxes Act			
202320989401	2023-Dec-20	NICK'S REPAIR SERVICE LTD.	Government of Manitoba Department of Finance Taxation Division	6 MOTOR VEHICLES  Registered under: The Tax Administration and Miscellaneous Taxes Act			

<b>2199931 ALBERTA LTD.</b>							
<b>ALBERTA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
19091119693	2019-Sept-11	2199931 ALBERTA LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
19122010213	2019-Dec-20	2199931 ALBERTA LTD DBA COLLISION KINGS GROUP	AXALTA COATING SYSTEMS	ALL-PAAP			
23122820167	2023-Dec-28	2199931 ALBERTA LTD.	THE TORONTO-DOMINION BANK	Land Charge			

2199931 ALBERTA LTD.							
SASKATCHEWAN							
Registration No	Date of Registration	Debtor	Secured Party	Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]	Identify Whether Borrower or Guarantor	Loan Agreement / Guarantee	Priority Agreement
301951227	2019-Sept-11	2199931 ALBERTA LTD.	THE TORONTO-DOMINION BANK	ALL-PAAP			
301951232	2019-Sept-11	2199931 ALBERTA LTD. COLLISION KINGS GROUP INC.	THE TORONTO-DOMINION BANK	Land Charge			

**Land Title Registrations**

<b>BUNZY'S AUTO BODY LTD. – Land Title Registrations</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
4982387/1	2018-Jul-31	BUNZY'S AUTO BODY LTD.	CROSSTOWN CIVIC CREDIT UNION LIMITED	MORTGAGE			

<b>10026923 MANITOBA LTD. – Land Title Registrations</b>							
<b>MANITOBA</b>							
<b>Registration No</b>	<b>Date of Registration</b>	<b>Debtor</b>	<b>Secured Party</b>	<b>Security Registered [Indicate whether an All-PAAP, PMSI (if so, what serial numbered goods registered)]</b>	<b>Identify Whether Borrower or Guarantor</b>	<b>Loan Agreement / Guarantee</b>	<b>Priority Agreement</b>
1135536/5	2018-Dec-04	10026923 MANITOBA LTD.	WILLIAM GARTH WHITE & GAIL ANN WHITE	MORTGAGE			
1135535/5	2018-Dec-04	10026923 MANITOBA LTD.	ROYAL BANK OF CANADA	MORTGAGE			

**THIS IS EXHIBIT "49" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**



## Saskatchewan Personal Property Registry Search Result

**Searching Party:** West-End Registries  
**Search Date:** 18-Jan-2024 14:45:06  
**Search Type:** Standard

**Search #:** 204331325  
**Client Reference:** 30356361  
**Control #:**

**Search Criteria**

**Search By:** Business Debtor Name  
**Business Name**

COLLISION KINGS GROUP INC.

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The following list displays all matches & indicates the ones that were selected.  
2 Registration(s) Found: Exacts (1) - Similar (1)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Exact	301951232	Personal Property Security Agreement	COLLISION KINGS GROUP INC.	TORONTO	N/A
No	Similar	302155266	Personal Property Security Agreement	KOWALISHEN CONSTRUCTION SASKATOON LTD.	Saskatoon	N/A



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:24:46

**Registration #:** 301951232  
**Expiry Date:** 11-Sep-2024

**Event Type:** Amendment  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

### Registrant

<b>Party ID:</b>	152167111-1	<b>Address:</b>	939 EGLINTON AVE. EAST, SUITE 201
<b>Entity Type:</b>	Business		TORONTO, Ontario
<b>Name:</b>	D+H LIMITED PARTNERSHIP		M4G4H7 Canada

### Secured Party

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

### Debtor Party

<b>Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada
<b>* Item #:</b>	2	<b>Address:</b>	SUITE 1600, 100 KING STREET WEST
<b>Party ID:</b>	153315020-1		TORONTO, Ontario
<b>Entity Type:</b>	Business		M5X2A1
<b>Name:</b>	COLLISION KINGS GROUP INC.		Canada

### General Property

ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY 2199931 ALBERTA LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.

## History - Setup

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:24:46

**Registration #:** 301951232  
**Transaction #:** 1  
**Expiry Date:** 11-Sep-2024

**Event Type:** Setup  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No



## Saskatchewan Personal Property Registry Search Result

### Registrant

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<b>Party ID:</b>	152185255-1	<b>Address:</b>	600, 2103 - 11th Avenue
<b>Entity Type:</b>	Business		Regina, Saskatchewan
<b>Name:</b>	Miller Thomson LLP		S4P3Z8
			Canada

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

### Debtor Party

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<b>Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada

<b>Item #:</b>	2	<b>Address:</b>	SUITE 1600, 100 KING STREET WEST
<b>Party ID:</b>	153315020-1		TORONTO, Ontario
<b>Entity Type:</b>	Business		M5X2A1
<b>Name:</b>	COLLISION KINGS GROUP INC.		Canada

### General Property

---

ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY 2199931 ALBERTA LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.

## History - Amendment

**Amendment Date:** 02-Jun-2021 16:53:22

**Registration #:** 301951232

**Transaction #:** 2

**Event Type:** Amendment

**Transaction Reason:** Regular

### Registrant

---

<b>Party ID:</b>	152167111-1	<b>Address:</b>	939 EGLINTON AVE. EAST, SUITE 201
<b>Entity Type:</b>	Business		TORONTO, Ontario
<b>Name:</b>	D+H LIMITED PARTNERSHIP		M4G4H7
			Canada

---

End of Search Result





- Web Page ID: WEnqResult
- System Date: 18JAN2024
- Last Modified: April 02, 2023

Note: All pages have been returned.

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	COLLISION KINGS GROUP INC.								
<b>File Currency</b>	17JAN 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	746337132	1	4	1	5	29NOV 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
746337132		001	1		20181129 1131 1590 4278	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	COLLISION KINGS GROUP INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	SUITE 1600, 100 KING STREET W.				TORONTO	ON	M5X 2A1		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	ROYAL BANK OF CANADA								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	36 YORK MILLS ROAD, 4TH FLOOR				TORONTO	ON	M2P 0A4		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	MLT AIKINS LLP								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	30TH FLOOR-COMMODITY EXCHANGE TOWER 360				WINNIPEG	MB	R3C 4G1		
<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	COLLISION KINGS GROUP INC.								
<b>File Currency</b>	17JAN 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>				
	746337132	1	4	2	5				
<b>FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT</b>									
	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule Attached</b>	<b>Registration Number</b>	<b>Registered Under</b>			
		001	1		20231106 0908 1532 6621				

<b>Record Referenced</b>	<b>File Number</b>	<b>Page Amended</b>	<b>No Specific Page Amended</b>	<b>Change Required</b>	<b>Renewal Years</b>	<b>Correct Period</b>			
	746337132			B RENEWAL	5				
<b>Reference Debtor/ Transferor</b>	<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>					
	<b>Business Debtor Name</b>								
	COLLISION KINGS GROUP INC.								
<b>Other Change</b>	<b>Other Change</b>								
<b>Reason / Description</b>	<b>Reason / Description</b>								
<b>Debtor/ Transferee</b>	<b>Date of Birth</b>	<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>				
	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
<b>Assignor Name</b>	<b>Assignor Name</b>								
<b>Secured Party</b>	<b>Secured party, lien claimant, assignee</b>								
	<b>Address</b>			<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent or Secured Party/ Lien Claimant</b>								
	D + H LIMITED PARTNERSHIP								
	<b>Address</b>				<b>City</b>		<b>Province</b>	<b>Postal Code</b>	
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA		ON	L4Z 1H8	
<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	COLLISION KINGS GROUP INC.								
<b>File Currency</b>	17JAN 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	765584181	2	4	3	5	09SEP 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
765584181		001	001		20200909 1419 1862 0615	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>				
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	COLLISION KINGS GROUP INC.								

	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	SUITE 1600, 100 KING STREET WEST				TORONTO	ON	M5X 2A1		
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	COLLISION KINGS 3 LTD.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	12694 99 STREET				GRANDE PRAIRIE	AB	T8V 4G9		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	THE TORONTO-DOMINION BANK								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	360 MAIN STREET, SUITE 205				WINNIPEG	MB	R3C 3Z3		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
				X	X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>		
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	MILLER THOMSON LLP (SM)								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	40 KING STREET WEST, SUITE 5800				TORONTO	ON	M5H 3S1		
<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	COLLISION KINGS GROUP INC.								
<b>File Currency</b>	17JAN 2024								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	765584235	3	4	4	5	09SEP 2025			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>		<b>Registered Under</b>	<b>Registration Period</b>	
765584235		001	001		20200909 1423 1862 0616		P PPSA	5	
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	COLLISION KINGS GROUP INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	SUITE 1600, 100 KING STREET WEST				TORONTO	ON	M5X 2A1		
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>		<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	2199931 ALBERTA LTD.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	2200, 10235 - 101 STREET NW				EDMONTON	AB	T5J 3G1		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	THE TORONTO-DOMINION BANK								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	360 MAIN STREET, SUITE 205				WINNIPEG	MB	R3C 3Z3		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>

				X	X					
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>									
<b>Registering Agent</b>	<b>Registering Agent</b>									
	MILLER THOMSON LLP (SM)									
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	40 KING STREET WEST, SUITE 5800				TORONTO	ON	M5H 3S1			
<b>Type of Search</b>	Business Debtor									
<b>Search Conducted On</b>	COLLISION KINGS GROUP INC.									
<b>File Currency</b>	17JAN 2024									
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>			
	789414309	4	4	5	5	19DEC 2027				
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>										
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>		<b>Registered Under</b>	<b>Registration Period</b>		
789414309		001	1		20221219 1540 5064 0280		P PPSA	05		
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>		<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>							<b>Ontario Corporation Number</b>		
	COLLISION KINGS GROUP INC.									
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	171 WATERLOO STREET				WINNIPEG	MB	R3N 0S4			
<b>Individual Debtor</b>	<b>Date of Birth</b>		<b>First Given Name</b>			<b>Initial</b>		<b>Surname</b>		
<b>Business Debtor</b>	<b>Business Debtor Name</b>							<b>Ontario Corporation Number</b>		
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>									
	THE TORONTO-DOMINION BANK									
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	BRANCH #6330, 360 MAIN STREET				WINNIPEG	MB	R3C 3Z8			
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>	
		X	X	X	X	X			X	
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>		<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>									
<b>Registering Agent</b>	<b>Registering Agent</b>									
	MLT AIKINS LLP									
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>			
	30TH FLR - 360 MAIN				WINNIPEG	MB	R3C 4G1			

LAST PAGE

Note: All pages have been returned.

Search ID #: Z16965684

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099633

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

**Business Debtor Search For:**

COLLISION KINGS GROUP INC.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965684

**Business Debtor Search For:**

COLLISION KINGS GROUP INC.

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

Registration Number: 19072407824

Registration Date: 2019-Jul-24

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Jul-24 23:59:59

Exact Match on: Debtor No: 2

Inexact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

Current

1 COLLISION KINGS 3 LTD.  
12624 99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

**Block**

**Status**

Current

2 COLLISION KINGS GROUP INC.  
SUITE 1600, 100 KING ST W  
TORONTO, ON M5X 2A1

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
BOX 45, UNIT A12 SHOPS WINNIPEG SQUARE  
WINNIPEG, MB R3C 3Z8

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY COLLISION KINGS 3 LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.

Current

Search ID #: Z16965684

**Business Debtor Search For:**  
COLLISION KINGS GROUP INC.

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

---

Registration Number: 20092419409  
Registration Date: 2020-Sep-24

Registration Type: SECURITY AGREEMENT  
Registration Status: Current  
Expiry Date: 2030-Sep-24 23:59:59

---

Exact Match on: Debtor No: 3

---

**Debtor(s)**

**Block**

**Status**  
Current

1 2270683 ALBERTA LTD.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Block**

**Status**  
Current

2 CMD HOLDINGS INC.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Block**

**Status**  
Current

3 COLLISION KINGS GROUP INC.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Secured Party / Parties**

**Block**

**Status**  
Current

1 5993092 MANITOBA LTD.  
177 ISABEL STREET  
WINNIPEG, MB R3A 1G8  
Email: bret@thetedgroup.ca

**Block**

**Status**  
Current

2 RONDEX  
177 ISABEL STREET  
WINNIPEG, MB R3A 1G8  
Email: bret@thetedgroup.ca

Search ID #: Z16965684

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	All present and after-acquired personal property of the Debtors.  All inventory consisting of automotive paint, refinish coatings and related materials supplied by the Secured Parties to the Debtors (or any of them) from time to time.	Current



Search ID #: Z16965684

**Business Debtor Search For:**  
COLLISION KINGS GROUP INC.

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

---

Registration Number: 21112426005  
Registration Date: 2021-Nov-24

Registration Type: SECURITY AGREEMENT  
Registration Status: Current  
Expiry Date: 2027-Nov-24 23:59:59

---

Inexact Match on: Debtor No: 3

---

**Debtor(s)**

**Block**

**Status**  
Current

1 CMD HOLDINGS INC.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**  
Current

2 MAYLAND HEIGHTS COLLISION LTD.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**  
Current

3 COLLISION KINGS  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Secured Party / Parties**

**Block**

**Status**  
Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationalleasing.com

Search ID #: Z16965684

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL Car Adaptors, John Bean System IV, Air, Oil Drain Cart, Booster Pack, jack with fuel tank adaptor, shop press, under car jack stands, Bench Vise, Balancer, lifts, hoists, Scissor Lift, Alignment Machine, engine support, MH320, Hoses, Grinder, Battery Charger, AC Machine, Press Kit, OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3079144, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z16965684

**Business Debtor Search For:**

COLLISION KINGS GROUP INC.

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

---

Registration Number: 22121921117

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Dec-19

Registration Status: Current

Expiry Date: 2027-Dec-19 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

23122720416

Amendment

2023-Dec-27

---

**Debtor(s)**

**Block**

**Status**

Current

1 COLLISION KINGS GROUP INC.  
171 WATERLOO STREET  
WINNIPEG, MB R3N 0S4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
BRANCH #6330, 360 MAIN STREET  
WINNIPEG, MB R3C 3Z8  
Email: absecparties@avssystems.ca

---

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122720416

Search ID #: Z16965684

**Business Debtor Search For:**

COLLISION KINGS GROUP INC.

Search ID #: Z16965684

Date of Search: 2024-Jan-18

Time of Search: 13:46:02

---

Registration Number: 23122820324

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 COLLISION KINGS GROUP INC.  
171 WATERLOO STREET  
WINNIPEG, MB R3N 0S4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Search ID #: Z16965684

**Note:**

The following is a list of matches closely approximating your Search Criteria,  
which is included for your convenience and protection.

**Debtor Name / Address**

COLLISION KINGS 3 LTD.  
12624 99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

**Reg.#**

19072407724

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS 3 LTD.  
12624 99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

**Reg.#**

19072407824

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS 3 LTD.  
C/O 371 NIAGRA STREET  
WINNPEG, MB R3N 0V3

**Reg.#**

19081336233

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS 3 LTD.  
12624-99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

**Reg.#**

19112926872

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS 3 LTD.  
2200, 10235 101ST ST. NW  
EDMONTON, AB T5J 3G1

**Reg.#**

23122820270

**LAND CHARGE**

Result Complete

Search ID #: Z16965686

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099634

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

**Business Debtor Search For:**

CMD HOLDINGS INC.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

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Registration Number: 20090928663

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

23122720137

Amendment

2023-Dec-27

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD HOLDINGS INC.  
#600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

---

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122720137

Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

Registration Number: 20090928779

Registration Date: 2020-Sep-09

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 CMD HOLDINGS INC.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

Current

**Secured Party / Parties**

**Block**

**Status**

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 All present and after acquired personal property owned by the Debtor or in which the Debtor has or will have any right, title, or interest as follows:  
(i) all Investment Property and all certificates and instruments evidencing or representing Investment Property;  
(ii) all dividends, distributions, and interest payments received or receivable upon or in respect of any Investment Property, whether paid in kind, money or property;  
(iii) all other property that may at any time be received or receivable by or otherwise distributed to the Debtor in respect of, in substitution for, in addition to, or in exchange or replacement for, any of the foregoing; and  
(iv) all proceeds of any of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby.

Current

As used in this Financing Statement, the term "Investment Property" shall have the meaning specified in the Personal Property Security Act (Alberta), together with any regulations thereunder, in each case as in effect from time to time.



Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

Registration Number: 20092419409

Registration Date: 2020-Sep-24

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2030-Sep-24 23:59:59

Exact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**

Current

1 2270683 ALBERTA LTD.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Block**

**Status**

Current

2 CMD HOLDINGS INC.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Block**

**Status**

Current

3 COLLISION KINGS GROUP INC.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Secured Party / Parties**

**Block**

**Status**

Current

1 5993092 MANITOBA LTD.  
177 ISABEL STREET  
WINNIPEG, MB R3A 1G8  
Email: bret@thetedgroup.ca

**Block**

**Status**

Current

2 RONDEX  
177 ISABEL STREET  
WINNIPEG, MB R3A 1G8  
Email: bret@thetedgroup.ca

Search ID #: Z16965686

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	All present and after-acquired personal property of the Debtors.  All inventory consisting of automotive paint, refinish coatings and related materials supplied by the Secured Parties to the Debtors (or any of them) from time to time.	Current

Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

---

Registration Number: 21112426005

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Nov-24

Registration Status: Current

Expiry Date: 2027-Nov-24 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD HOLDINGS INC.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

2 MAYLAND HEIGHTS COLLISION LTD.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

3 COLLISION KINGS  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationaleasing.com

Search ID #: Z16965686

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL Car Adaptors, John Bean System IV, Air, Oil Drain Cart, Booster Pack, jack with fuel tank adaptor, shop press, under car jack stands, Bench Vise, Balancer, lifts, hoists, Scissor Lift, Alignment Machine, engine support, MH320, Hoses, Grinder, Battery Charger, AC Machine, Press Kit, OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3079144, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

---

Registration Number: 23100330928

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 CMD HOLDINGS INC.  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

Current

**Secured Party / Parties**

**Block**

**Status**

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Current

**Block**

**Status**

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Current

**Block**

**Status**

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Current

**Block**

**Status**

4 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Current

Search ID #: Z16965686

**Block**

5      1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6      1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1      All present and after acquired personal property of the Debtor

**Status**

Current

Search ID #: Z16965686

**Business Debtor Search For:**

CMD HOLDINGS INC.

Search ID #: Z16965686

Date of Search: 2024-Jan-18

Time of Search: 13:46:36

---

Registration Number: 23122820089

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 CMD HOLDINGS INC.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

Current

**Secured Party / Parties**

**Block**

**Status**

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Current

Result Complete

Search ID #: Z16965689

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099635

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.





Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 20090929067

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

23122719912

Amendment

2023-Dec-27

---

**Debtor(s)**

**Block**

**Status**

Current

1 EAST LAKE COLLISION LTD.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

---

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719912

Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 21011905385

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Jan-19

Registration Status: Current

Expiry Date: 2026-Jan-19 23:59:59

---

Inexact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 EAST LAKE COLLISION LTD DBA CARSTAR CALGARY EAST LAKE  
4600 112 AVE SE  
CALGARY, AB T2C2K2

Current

**Secured Party / Parties**

**Block**

**Status**

1 HEFFNER AUTO SALES AND LEASING INC.  
3121 KING ST E  
KITCHENER, ON N2A1B1  
Email: VTHOMAS@HEFFNER.CA

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 EQUIPMENT ON INVOICE 71525 FROM LEANTECH  
L. # J2101001

Current

Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 23100331415

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 EAST LAKE COLLISION LTD.  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965689

**Block**

5 1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1 All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 23122819913

Registration Date: 2023-Dec-28

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 EAST LAKE COLLISION LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 24011630733

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-16

Registration Status: Current

Expiry Date: 2026-Jan-16 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00644

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$8,472.79

Costs Are: \$111.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$8,584.39

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

1 EAST LAKE COLLISION LTD  
4600 112 AVENUE SE  
CALGARY, AB T2C 2K2

Current

**Creditor(s)**

**Block**

**Status**

1 2289739 ALBERTA LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Current

**Search ID #: Z16965689**

Email: [kenpratherts@shaw.ca](mailto:kenpratherts@shaw.ca)

Search ID #: Z16965689

**Business Debtor Search For:**

EAST LAKE COLLISION LTD.

Search ID #: Z16965689

Date of Search: 2024-Jan-18

Time of Search: 13:47:05

---

Registration Number: 24011714763

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-17

Registration Status: Current

Expiry Date: 2026-Jan-17 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00642

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$27,234.29

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$27,460.89

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 EAST LAKE COLLISION LTD  
4600 112 AVENUE SE  
CALGARY, AB T2C 2K2

**Creditor(s)**

**Block**

**Status**

Current

1 TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4



**Search ID #: Z16965689**

Email: kenpratherts@shaw.ca

Result Complete

Search ID #: Z16965692

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099636

Search ID #: Z16965692

Date of Search: 2024-Jan-18

Time of Search: 13:47:11

**Business Debtor Search For:**

MAYLAND HEIGHTS COLLISION LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965692

**Business Debtor Search For:**

MAYLAND HEIGHTS COLLISION LTD.

Search ID #: Z16965692

Date of Search: 2024-Jan-18

Time of Search: 13:47:11

Registration Number: 20090929184

Registration Date: 2020-Sep-09

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

23122720025

Amendment

2023-Dec-27

**Debtor(s)**

**Block**

**Status**

Current

1 MAYLAND HEIGHTS COLLISION LTD.  
600 - 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122720025

Search ID #: Z16965692

**Business Debtor Search For:**

MAYLAND HEIGHTS COLLISION LTD.

Search ID #: Z16965692

Date of Search: 2024-Jan-18

Time of Search: 13:47:11

---

Registration Number: 21112426005

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Nov-24

Registration Status: Current

Expiry Date: 2027-Nov-24 23:59:59

---

Exact Match on: Debtor No: 2

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD HOLDINGS INC.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

2 MAYLAND HEIGHTS COLLISION LTD.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

3 COLLISION KINGS  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationaleasing.com

Search ID #: Z16965692

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL Car Adaptors, John Bean System IV, Air, Oil Drain Cart, Booster Pack, jack with fuel tank adaptor, shop press, under car jack stands, Bench Vise, Balancer, lifts, hoists, Scissor Lift, Alignment Machine, engine support, MH320, Hoses, Grinder, Battery Charger, AC Machine, Press Kit, OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3079144, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z16965692

**Business Debtor Search For:**

MAYLAND HEIGHTS COLLISION LTD.

Search ID #: Z16965692

Date of Search: 2024-Jan-18

Time of Search: 13:47:11

---

Registration Number: 23100331681

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 MAYLAND HEIGHTS COLLISION LTD.  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965692

**Block**

5      DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6      1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1      All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965692

**Business Debtor Search For:**

MAYLAND HEIGHTS COLLISION LTD.

Search ID #: Z16965692

Date of Search: 2024-Jan-18

Time of Search: 13:47:11

---

Registration Number: 23122819980

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 MAYLAND HEIGHTS COLLISION LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com



Search ID #: Z16965692

**Note:**

The following is a list of matches closely approximating your Search Criteria,  
which is included for your convenience and protection.

**Debtor Name / Address**

MAYLAND HEIGHTS CHILD CARE CENTRE LTD.  
1416 21 STREET NE  
CALGARY, AB T2E 4Y6

**Reg.#**

18110624114

**SECURITY AGREEMENT**

**Debtor Name / Address**

MAYLAND HEIGHTS COLLISION LTD. DBA CARSTAR  
CALGARY MERIDIAN  
2520 CENTRE AVE  
CALGARY, AB T2A2L2

**Reg.#**

21011905481

**SECURITY AGREEMENT**

**Debtor Name / Address**

MAYLANDHEIGHTS CHILD CARE CENTRELTD.  
169 MASTERS CAPE SE  
CALGARY, AB T3M 2B2

**Reg.#**

18091416561

**SECURITY AGREEMENT**

Result Complete

Search ID #: Z16965711

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099637

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 20090929626

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

23122719559

Amendment

2023-Dec-27

---

**Debtor(s)**

**Block**

**Status**

Current

1 SUNRIDGE COLLISION LTD.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

---

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719559

Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 21011905317

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Jan-19

Registration Status: Current

Expiry Date: 2026-Jan-19 23:59:59

---

Inexact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 SUNRIDGE COLLISION LTD DBA CARSTAR CALGARY SUNRIDGE  
2601 29 STREET NORTHEAST  
CALGARY, AB T1Y7G6

Current

**Secured Party / Parties**

**Block**

**Status**

1 HEFFNER AUTO SALES AND LEASING INC.  
3121 KING ST E  
KITCHENER, ON N2A1B1  
Email: VTHOMAS@HEFFNER.CA

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 EQUIPMENT AS PER INVOICE 71527 FROM LEATECH  
L. # J2101001

Current

Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 23100331273

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 SUNRIDGE COLLISION LTD.  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965711

**Block**

5      DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6      1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1      All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 23122819557

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 SUNRIDGE COLLISION LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

Current

**Secured Party / Parties**

**Block**

**Status**

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Current

Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 24011630713

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-16

Registration Status: Current

Expiry Date: 2026-Jan-16 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00643

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$21,798.80

Costs Are: \$211.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$22,010.40

---

Exact Match on: Debtor No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 SUNRIDGE COLLISION LTD  
4610 112 AVENUE SE  
CALGARY, AB T2C 2K2

**Creditor(s)**

**Block**

**Status**

Current

1 2289739 ALBERTA LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4



**Search ID #: Z16965711**

Email: [kenpratherts@shaw.ca](mailto:kenpratherts@shaw.ca)

Search ID #: Z16965711

**Business Debtor Search For:**

SUNRIDGE COLLISION LTD.

Search ID #: Z16965711

Date of Search: 2024-Jan-18

Time of Search: 13:49:38

---

Registration Number: 24011714869

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-17

Registration Status: Current

Expiry Date: 2026-Jan-17 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00640

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$15,783.03

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$16,009.63

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 SUNRIDGE COLLISION LTD  
4610 112 AVENUE SE  
CALGARY, AB T2C 2K2

**Creditor(s)**

**Block**

**Status**

Current

1 TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #: Z16965711**

Email: kenpratherts@shaw.ca

Result Complete



## Saskatchewan Personal Property Registry Search Result

**Searching Party:** West-End Registries  
**Search Date:** 18-Jan-2024 14:45:51  
**Search Type:** Standard

**Search #:** 204331328  
**Client Reference:** 30356418  
**Control #:**

**Search Criteria**

**Search By:** Business Debtor Name  
**Business Name**

2199931 ALBERTA LTD.

---

The following list displays all matches & indicates the ones that were selected.  
2 Registration(s) Found: Exacts (2) - Similar (0)

Selected	Match	Reg #	Registration Type	Debtor Name	City	Enforcement Instruction Reg #
Yes	Exact	301951227	Personal Property Security Agreement	2199931 ALBERTA LTD.	EDMONTON	N/A
Yes	Exact	301951232	Personal Property Security Agreement	2199931 ALBERTA LTD.	EDMONTON	N/A



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:20:24

**Registration #:** 301951227  
**Expiry Date:** 11-Sep-2024

**Event Type:** Amendment  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

#### Registrant

---

<b>Party ID:</b>	153171375-1	<b>Address:</b>	1200, 10123 99 St NW
<b>Entity Type:</b>	Business		Edmonton, Alberta
<b>Name:</b>	ELDOR-WAL REGISTRATION (1987) LTD.		T5J3H1 Canada

#### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

#### Debtor Party

---

<b>* Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada

#### General Property

---

Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds.

## History - Setup

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:20:24

**Registration #:** 301951227  
**Transaction #:** 1  
**Expiry Date:** 11-Sep-2024

**Event Type:** Setup  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

#### Registrant

---

<b>Party ID:</b>	152185255-1	<b>Address:</b>	600, 2103 - 11th Avenue
<b>Entity Type:</b>	Business		Regina, Saskatchewan
<b>Name:</b>	Miller Thomson LLP		S4P3Z8 Canada



## Saskatchewan Personal Property Registry Search Result

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

### Debtor Party

---

<b>Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada

### General Property

---

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

## History - Amendment

**Amendment Date:** 02-Jan-2024 18:09:36

**Registration #:** 301951227

**Transaction #:** 2

**Event Type:** Amendment  
**Transaction Reason:** Regular

**RIN:** Registration Identification Number Amended

### Registrant

---

<b>Party ID:</b>	153171375-1	<b>Address:</b>	1200, 10123 99 St NW
<b>Entity Type:</b>	Business		Edmonton, Alberta
<b>Name:</b>	ELDOR-WAL REGISTRATION (1987) LTD.		T5J3H1
			Canada

### General Property

---

Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds.

---

---



# Saskatchewan Personal Property Registry Search Result

## Current - Exact

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:24:46

**Registration #:** 301951232  
**Expiry Date:** 11-Sep-2024

**Event Type:** Amendment  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No

### Registrant

---

<b>Party ID:</b>	152167111-1	<b>Address:</b>	939 EGLINTON AVE. EAST, SUITE 201
<b>Entity Type:</b>	Business		TORONTO, Ontario
<b>Name:</b>	D+H LIMITED PARTNERSHIP		M4G4H7 Canada

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

### Debtor Party

---

<b>* Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada

<b>Item #:</b>	2	<b>Address:</b>	SUITE 1600, 100 KING STREET WEST
<b>Party ID:</b>	153315020-1		TORONTO, Ontario
<b>Entity Type:</b>	Business		M5X2A1
<b>Name:</b>	COLLISION KINGS GROUP INC.		Canada

### General Property

---

ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY 2199931 ALBERTA LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.

## History - Setup

**Registration Type:** Personal Property Security Agreement  
**Registration Date:** 11-Sep-2019 13:24:46

**Registration #:** 301951232  
**Transaction #:** 1  
**Expiry Date:** 11-Sep-2024

**Event Type:** Setup  
**Transaction Reason:** Regular

### Notations

**Trust Indenture:** No



## Saskatchewan Personal Property Registry Search Result

### Registrant

---

<b>Party ID:</b>	152185255-1	<b>Address:</b>	600, 2103 - 11th Avenue
<b>Entity Type:</b>	Business		Regina, Saskatchewan
<b>Name:</b>	Miller Thomson LLP		S4P3Z8
			Canada

### Secured Party

---

<b>Item #:</b>	1	<b>Address:</b>	BRANCH #6330, 360 MAIN STREET
<b>Party ID:</b>	153315006-1		WINNIPEG, Manitoba
<b>Entity Type:</b>	Business		R3C3Z8
<b>Name:</b>	THE TORONTO-DOMINION BANK		Canada

### Debtor Party

---

<b>Item #:</b>	1	<b>Address:</b>	2200, 10235 - 101 STREET NW
<b>Party ID:</b>	153315007-1		EDMONTON, Alberta
<b>Entity Type:</b>	Business		T5J3G1
<b>Name:</b>	2199931 ALBERTA LTD.		Canada

---

<b>Item #:</b>	2	<b>Address:</b>	SUITE 1600, 100 KING STREET WEST
<b>Party ID:</b>	153315020-1		TORONTO, Ontario
<b>Entity Type:</b>	Business		M5X2A1
<b>Name:</b>	COLLISION KINGS GROUP INC.		Canada

### General Property

---

ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY 2199931 ALBERTA LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.

## History - Amendment

**Amendment Date:** 02-Jun-2021 16:53:22

**Registration #:** 301951232

**Transaction #:** 2

**Event Type:** Amendment

**Transaction Reason:** Regular

### Registrant

---

<b>Party ID:</b>	152167111-1	<b>Address:</b>	939 EGLINTON AVE. EAST, SUITE 201
<b>Entity Type:</b>	Business		TORONTO, Ontario
<b>Name:</b>	D+H LIMITED PARTNERSHIP		M4G4H7
			Canada

---

End of Search Result



Search ID #: Z16965709

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099647

Search ID #: Z16965709

Date of Search: 2024-Jan-18

Time of Search: 13:49:24

**Business Debtor Search For:**

2199931 ALBERTA LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965709

**Business Debtor Search For:**

2199931 ALBERTA LTD.

Search ID #: Z16965709

Date of Search: 2024-Jan-18

Time of Search: 13:49:24

Registration Number: 19091119693

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Sep-11

Registration Status: Current

Expiry Date: 2024-Sep-11 23:59:59

Exact Match on:

Debtor

No: 1

**Amendments to Registration**

23122720305

Amendment

2023-Dec-27

**Debtor(s)**

**Block**

**Status**

Current

1 2199931 ALBERTA LTD.  
2200, 10235 - 101 STREET NW  
EDMONTON, AB T5J 3G1

**Secured Party / Parties**

**Block**

**Status**

Deleted by  
23122720305

1 THE TORONTO-DOMINION BANK  
BRANCH #6330, 360 MAIN STREET  
WINNIPEG, MB R3C 3Z8

**Block**

**Status**

Current by  
23122720305

2 THE TORONTO-DOMINION BANK  
BRANCH #6330, 360 MAIN STREET  
WINNIPEG, MB R3C 3Z8  
Email: tdcomm@td.com

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122720305

Search ID #: Z16965709

**Business Debtor Search For:**

2199931 ALBERTA LTD.

Search ID #: Z16965709

Date of Search: 2024-Jan-18

Time of Search: 13:49:24

Registration Number: 19122010213

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Dec-20

Registration Status: Current

Expiry Date: 2024-Dec-20 23:59:59

Inexact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

Current

1 2199931 ALBERTA LTD DBA COLLISION KINGS GROUP  
2200, 10235-101 STREET NW  
EDMONTON, AB T5J 3G1

**Secured Party / Parties**

**Block**

**Status**

Current

1 AXALTA COATING SYSTEMS  
408 FAIRALL STREET  
AJAX, ON L1S 1R6  
Email: absecparties@avssystemsa.ca

**Collateral: General**

**Block**

**Description**

**Status**

Current

1 FOR VALUE RECEIVED , AXALTA COATINGS IS HEREBY GRANTED A SECURITY INTEREST IN THE UNDERTAKING OF DEBTOR AND IN ALL OF DEBTORS PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY INCLUDING, WITHOUT LIMITATIONS, IN ALL GOODS (INCLUDING ALL PARTS, ACCESSORIES, ATTACHMENTS, SPECIAL TOOLS, ADDITIONS AND ACCESSIONS THERETO) , CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, MONEY AND SECURITIES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR (INCLUDING SUCH AS MAY BE RETURNED TO OR REPOSSESSED BY DEBTOR) AND IN ALL PROCEEDS AND RENEWALS THEREOF, ACCRETIONS THERETO AND SUBSTITUTIONS THEREFORE (HEREINAFTER COLLECTIVELY CALLED THE "COLLATERAL"), AND INCLUDING, WITHOUT LIMITATION ALL OF THE FOLLOWING NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OR DEBTOR; ALL INVENTORY, ALL EQUIPMENT, ALL ACCOUNTS, ALL LISTS, RECORDS AND FILES RELATING TO DEBTORS CUSTOMERS, ALL DEEDS, ALL CONTRACTUAL RIGHTS & INSURANCE CLAIMS, ALL PATENTS

Search ID #: Z16965709

**Business Debtor Search For:**

2199931 ALBERTA LTD.

Search ID #: Z16965709

Date of Search: 2024-Jan-18

Time of Search: 13:49:24

---

Registration Number: 23122820167

Registration Date: 2023-Dec-28

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 2199931 ALBERTA LTD.  
2200, 10235 101ST ST. NW  
EDMONTON, AB T5J 3G1

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Result Complete

Search ID #: Z16965706

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099646

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

Registration Number: 19072407724

Registration Date: 2019-Jul-24

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Jul-24 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

23122720399

Amendment

2023-Dec-27

**Debtor(s)**

**Block**

**Status**

1 COLLISION KINGS 3 LTD.  
12624 99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

Current

**Secured Party / Parties**

**Block**

**Status**

1 THE TORONTO-DOMINION BANK  
BOX 45, UNIT A12 SHOPS WINNIPEG SQUARE  
WINNIPEG, MB R3C 3Z8

Deleted by  
23122720399

**Block**

**Status**

2 THE TORONTO-DOMINION BANK  
BOX 45, UNIT A12 SHOPS WINNIPEG SQUARE  
WINNIPEG, MB R3C 3Z8  
Email: tdcomm@td.com

Current by  
23122720399

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

**Search ID #: Z16965706**

- |   |  |                           |
|---|--|---------------------------|
| 2 | Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA). | Current By<br>23122720399 |
|---|--|---------------------------|

Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

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Registration Number: 19072407824

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jul-24

Registration Status: Current

Expiry Date: 2024-Jul-24 23:59:59

---

Exact Match on: Debtor No: 1

Inexact Match on: Debtor No: 2

---

**Debtor(s)**

**Block**

**Status**

1 COLLISION KINGS 3 LTD.  
12624 99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

Current

**Block**

**Status**

2 COLLISION KINGS GROUP INC.  
SUITE 1600, 100 KING ST W  
TORONTO, ON M5X 2A1

Current

**Secured Party / Parties**

**Block**

**Status**

1 THE TORONTO-DOMINION BANK  
BOX 45, UNIT A12 SHOPS WINNIPEG SQUARE  
WINNIPEG, MB R3C 3Z8

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL DEBTS AND LIABILITIES OWED TO COLLISION KINGS GROUP INC. BY  
COLLISION KINGS 3 LTD. PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE,  
CHattel PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND  
INTANGIBLES.

Current



Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

Registration Number: 19081336233

Registration Date: 2019-Aug-13

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Aug-13 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 COLLISION KINGS 3 LTD.  
C/O 371 NIAGRA STREET  
WINNPEG, MB R3N 0V3

Current

**Secured Party / Parties**

**Block**

**Status**

1 255318 ALBERTA LTD.  
PO BOX 23209, RPO PRAIRIE MALL  
GRANDE PRAIRIE, AB T8V 7G7  
Phone #: 587 297 2532

Current

**Block**

**Status**

2 DON GOLDEN AUTOBODY LTD.  
PO BOX 23209, RPO PRAIRIE MALL  
GRANDE PRAIRIE, AB T8V 7G7  
Phone #: 587 297 2532

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 All Present and After Acquired Personal Property

Current

Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

---

Registration Number: 19112926872

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Nov-29

Registration Status: Current

Expiry Date: 2024-Nov-29 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 COLLISION KINGS 3 LTD.  
12624-99 STREET  
GRANDE PRAIRIE, AB T8V 4G9

Current

**Secured Party / Parties**

**Block**

**Status**

1 HI TECH BUSINESS SYSTEMS LTD.  
10115-99 AVENUE  
GRANDE PRAIRIE, AB T8V 0S1  
Phone #: 780 538 4128  
Email: paulines@hitechgp.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 2MV04373 CANON IMAGE RUNNER ADVANCE C256IF III COLOR COPIER, SYW16811  
CANON CASSETTE FEEDING UNIT

Current

Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

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Registration Number: 21112426005

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Nov-24

Registration Status: Current

Expiry Date: 2027-Nov-24 23:59:59

---

Inexact Match on: Debtor No: 3

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD HOLDINGS INC.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

2 MAYLAND HEIGHTS COLLISION LTD.  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Block**

**Status**

Current

3 COLLISION KINGS  
5940 30 STREET SE  
CALGARY, AB T2C 1X8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationalleasing.com

Search ID #: Z16965706

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL Car Adaptors, John Bean System IV, Air, Oil Drain Cart, Booster Pack, jack with fuel tank adaptor, shop press, under car jack stands, Bench Vise, Balancer, lifts, hoists, Scissor Lift, Alignment Machine, engine support, MH320, Hoses, Grinder, Battery Charger, AC Machine, Press Kit, OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3079144, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z16965706

**Business Debtor Search For:**

COLLISION KINGS 3 LTD.

Search ID #: Z16965706

Date of Search: 2024-Jan-18

Time of Search: 13:48:55

---

Registration Number: 23122820270

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 COLLISION KINGS 3 LTD.  
2200, 10235 101ST ST. NW  
EDMONTON, AB T5J 3G1

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Search ID #: Z16965706

**Note:**

The following is a list of matches closely approximating your Search Criteria,  
which is included for your convenience and protection.

**Debtor Name / Address**

COLLISION KINGS GROUP INC.  
SUITE 1600, 100 KING ST W  
TORONTO, ON M5X 2A1

**Reg.#**

19072407824

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS GROUP INC.  
52 AUSTIN ST.  
WINNIPEG, MB R3B 0Z7

**Reg.#**

20092419409

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS GROUP INC.  
171 WATERLOO STREET  
WINNIPEG, MB R3N 0S4

**Reg.#**

22121921117

**SECURITY AGREEMENT**

**Debtor Name / Address**

COLLISION KINGS GROUP INC.  
171 WATERLOO STREET  
WINNIPEG, MB R3N 0S4

**Reg.#**

23122820324

**LAND CHARGE**

Result Complete

Search ID #: Z16965698

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099639

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

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Registration Number: 19060436121

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jun-04

Registration Status: Current

Expiry Date: 2025-Jun-04 23:59:59

---

Inexact Match on: Debtor No: 4

---

**Amendments to Registration**

19060618635

Amendment

2019-Jun-06

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**Debtor(s)**

**Block**

1 1487016 ALBERTA LTD  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Status**

Deleted by  
19060618635

**Block**

2 AR AUTOMOTIVE  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Status**

Current

**Block**

3 1487016 ALBERTA LTD.  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Status**

Current by  
19060618635

**Block**

4 A R AUTOBODY  
1812 17 AVE SE  
CALGARY, AB T2G1K4

**Status**

Current by  
19060618635

**Block**

5 A R AUTOBODY - 1487016 ALBERTA LTD.  
1812 17 AVE SE  
CALGARY, AB T2G1K4

**Status**

Current by  
19060618635



Search ID #: Z16965698

**Secured Party / Parties**

**Block**

**Status**

Current

1 BLUE CHIP LEASING CORPORATION  
156 DUNCAN MILL RD, UNIT 16  
TORONTO, ON M3B 3N2

**Collateral: General**

**Block**

**Description**

**Status**

Current

1 ALL HVAC EQUIPMENT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 58676 (99963), AS AMENDED FROM TIME TO TIME, INCLUDING : ONE (1) FURNACE, AIR CONDITIONING HVAC DUCT SYSTEM, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

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Registration Number: 19062131132

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jun-21

Registration Status: Current

Expiry Date: 2025-Jun-21 23:59:59

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Inexact Match on: Debtor No: 4

---

**Amendments to Registration**

19062633338

Amendment

2019-Jun-26

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**Debtor(s)**

**Block**

**Status**

Current

1 1487016 ALBERTA LTD.  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Block**

**Status**

Current

2 AR AUTOMOTIVE  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Block**

**Status**

Current by  
19062633338

3 A. R. AUTOMOTIVE  
1812 17 AVE SE  
CALGARY, AB T2G1K4

**Block**

**Status**

Current by  
19062633338

4 A R AUTOBODY  
1812 17 AVE SE  
CALGARY, AB T2G1K4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 BLUE CHIP LEASING CORPORATION  
156 DUNCAN MILL RD, UNIT 16  
TORONTO, ON M3B 3N2

Search ID #: Z16965698

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL INDUSTRIAL EQUIPMENT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 58865 (100531), AS AMENDED FROM TIME TO TIME, INCLUDING : ONE (1) 2005 BMA 118, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.	Deleted By 19062633338
2	ALL MANUFACTURING EQUIPMENT EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 58865 (100531), AS AMENDED FROM TIME TO TIME, INCLUDING : 1-USED 2005 ICE INDUSTRIAL COMMERCIAL EQUIPMENT MANUFACTURING LTD BMA 118 MUA S/N 325640702, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.	Current By 19062633338

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

Registration Number: 19080223571

Registration Date: 2019-Aug-02

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Aug-02 23:59:59

Inexact Match on: Debtor No: 3

Inexact Match on: Debtor No: 4

### **Amendments to Registration**

19081326358

Amendment

2019-Aug-13

### **Debtor(s)**

**Block**

1 1487016 ALBERTA LTD.  
1812 17 AVE SE  
CALGARY, AB T2G 1K4

**Status**

Current

**Block**

2 1487016 ALBERTA LTD.  
2820 54 AVE SE  
CALGARY, AB T2C 0A7

**Status**

Current

**Block**

3 A R AUTOBODY  
2820 54 AVE SE  
CALGARY, AB T2C0A7

**Status**

Current by  
19081326358

**Block**

4 A R AUTOBODY  
1812 17 AVE SE  
CALGARY, AB T2G1K4

**Status**

Current by  
19081326358

Search ID #: Z16965698

**Secured Party / Parties**

**Block**

**Status**

Current

1 BLUE CHIP LEASING CORPORATION  
156 DUNCAN MILL RD, UNIT 16  
TORONTO, ON M3B 3N2

**Collateral: General**

**Block**

**Description**

**Status**

Current

1 ALL AUTOMOTIVE SERVICE EQUIPMENT OF EVERY NATURE OR KIND, FINANCED BY THE SECURED PARTY, AS LESSOR, TO THE DEBTOR , AS LESSEE, PURSUANT TO A SECURITY AGREEMENT 59189 (101267), AS AMENDED FROM TIME TO TIME, INCLUDING : 1- OPEN FRONT ALIGNMENT 14 K FOUR POST LIFT, 1- FOUR POST OPEN FRONT 12000 16000 LB ROTARY AUTHORIZED INSTALLER , TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL; OR PROCEEDS THEREOF. PROCEEDS: ACCOUNTS, CHATTEL PAPER, GOODS, DOCUMENTS OF TITLE, INVENTORY, INSTRUMENTS, MONEY, INTANGIBLES AND SECURITIES (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

Registration Number: 20090928409

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

23122719646

Amendment

2023-Dec-27

**Debtor(s)**

**Block**

**Status**

1 ARROW AUTO BODY LTD.  
600 - 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

Current

**Secured Party / Parties**

**Block**

**Status**

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719646

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

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Registration Number: 23040607753

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Apr-06

Registration Status: Current

Expiry Date: 2027-Apr-06 23:59:59

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Inexact Match on: Debtor No: 2

---

**Debtor(s)**

**Block**

**Status**

1 1487016 ALBERTA LTD.  
2820 54 AVE SE  
CALGARY, AB T2C0A7

Current

**Block**

**Status**

2 A. R. AUTOBODY  
2820 54 AVE SE  
CALGARY, AB T2C0A7

Current

**Secured Party / Parties**

**Block**

**Status**

1 MITSUBISHI HC CAPITAL CANADA LEASING, INC.  
401-1100 BURLOAK DRIVE  
BURLINGTON, ON L7L6B2  
Email: legalca@mhccna.com

Current

Search ID #: Z16965698

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	SUNWARD TRUCK LOADER, SWTL4538, N/S SWTL45380017 SUNWARD SKID STEER, SWL3230, N/S SWL323000401 SUNWARD EXCAVATOR, SWE35UF, N/S SWE35UF02213	Current

THE PERSONAL PROPERTY DESCRIBED HEREIN, TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND FURNISHED IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT AND ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR (COLLECTIVELY, THE "EQUIPMENT"), AS WELL AS ALL OF THE DEBTOR'S PRESENT AND FUTURE RIGHTS, TITLE AND INTEREST IN THE FOLLOWING (THE "EQUIPMENT-RELATED COLLATERAL")

(I) INTELLECTUAL PROPERTY AND OTHER INTANGIBLES RELATING TO THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL

(II) ANY CONTRACT FOR THE SALE, LEASE, RENTAL OR OTHER DISPOSITION OF THE EQUIPMENT

(III) ALL INSURANCE CLAIMS AND PROCEEDS RESULTING FROM ANY LOSS OR DAMAGE TO THE EQUIPMENT OR THE EQUIPMENT-RELATED COLLATERAL AND

(IV) ANY PROCEEDS OF THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL, IN WHATEVER FORM IT MAY BE, INCLUDING WITHOUT LIMITATION, CHATTEL PAPER, TITLE DOCUMENTS, GOODS, INSTRUMENTS, OR MONEY.



Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

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Registration Number: 23100331168

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 ARROW AUTO BODY LTD  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965698

**Block**

5      1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6      1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1      All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

---

Registration Number: 23122819588

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 ARROW AUTO BODY LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

Current

**Secured Party / Parties**

**Block**

**Status**

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Current

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

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Registration Number: 24011630188

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-16

Registration Status: Current

Expiry Date: 2026-Jan-16 23:59:59

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Issued in Calgary Judicial Centre

Court File Number is 2401-00647

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$20,468.53

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$20,695.13

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

24011630774

Amendment

2024-Jan-16

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

---

**Debtor(s)**

**Block**

**Status**

Current

1 ARROW AUTO BODY LTD  
3648 BURNSLAND ROAD SE  
CALGARY, AB T2G 3Z2

Search ID #: Z16965698

**Creditor(s)**

**Block**

**Status**

Current

1      2289739 ALBERTA LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4  
Email: kenpratherts@shaw.ca

Search ID #: Z16965698

**Business Debtor Search For:**

ARROW AUTO BODY LTD.

Search ID #: Z16965698

Date of Search: 2024-Jan-18

Time of Search: 13:48:17

---

Registration Number: 24011726490

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-17

Registration Status: Current

Expiry Date: 2026-Jan-17 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00757

Judgment Date is 2024-Jan-17

This Writ was issued on 2024-Jan-17

Type of Judgment is Other

Original Judgment Amount: \$17,786.80

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$18,013.40

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 ARROW AUTO BODY LTD  
3648 BURNSLAND ROAD SE  
CALGARY, AB T2G 3Z2

**Creditor(s)**

**Block**

**Status**

Current

1 TRIPLE R AUTO LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #:** Z16965698

Email: kenpratherts@shaw.ca

**Block**

2 OPERATING AS LEXUS OF ROYAL OAK  
7677 112 AVE NW  
CALGARY, AB T3R 1R8  
Email: craigm@charlesglentoyota.com

**Status**

Current

Result Complete

Search ID #: Z16965700

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099644

Search ID #: Z16965700

Date of Search: 2024-Jan-18

Time of Search: 13:48:22

**Business Debtor Search For:**

CMD GLASS LTD.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.





Search ID #: Z16965700

**Business Debtor Search For:**

CMD GLASS LTD.

Search ID #: Z16965700

Date of Search: 2024-Jan-18

Time of Search: 13:48:22

---

Registration Number: 20090928536

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

23122719863

Amendment

2023-Dec-27

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD GLASS LTD.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

---

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719863

Search ID #: Z16965700

**Business Debtor Search For:**

CMD GLASS LTD.

Search ID #: Z16965700

Date of Search: 2024-Jan-18

Time of Search: 13:48:22

---

Registration Number: 23100331554

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD GLASS LTD.  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965700

**Block**

5 1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6 1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1 All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965700

**Business Debtor Search For:**

CMD GLASS LTD.

Search ID #: Z16965700

Date of Search: 2024-Jan-18

Time of Search: 13:48:22

---

Registration Number: 23122819804

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 CMD GLASS LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Result Complete

Search ID #: Z16965710

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099643

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Both Exact and Inexact Result(s) Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

Registration Number: 20090929343

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Sep-09

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

Exact Match on:

Debtor

No: 1

### **Amendments to Registration**

23122719756

Amendment

2023-Dec-27

### **Debtor(s)**

**Block**

**Status**

Current

1 ROYAL VISTA COLLISION LTD.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

### **Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

### **Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719756

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 21011905672

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Jan-19

Registration Status: Current

Expiry Date: 2026-Jan-19 23:59:59

---

Inexact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 ROYAL VISTA COLLISION LTD. DBA CARSTAR CALGARY ROYAL OAK  
35 ROYAL VISTA DR NW  
CALGARY, AB T3R1R8

Current

**Secured Party / Parties**

**Block**

**Status**

1 HEFFNER AUTO SALES AND LEASING INC.  
3121 KING ST E  
KITCHENER, ON N2A1B1  
Email: VTHOMAS@HEFFNER.CA

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 EQUIPMENT FROM INVOICE 74524 FROM LEANTECH  
L. # J2101001

Current

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 23100331966

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 ROYAL VISTA COLLISION LTD  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com



Search ID #: Z16965710

**Block**

5 1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1 All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 23121127018

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2023-Dec-11

Registration Status: Current

Expiry Date: 2025-Dec-11 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2301-16468

Judgment Date is 2023-Dec-01

This Writ was issued on 2023-Dec-11

Type of Judgment is Other

Original Judgment Amount: \$2,209.38

Costs Are: \$126.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$2,335.98

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 ROYAL VISTA COLLISION LTD  
35 ROYAL VISTA DRIVE NW  
CALGARY, AB T3R 0H9

**Creditor(s)**

**Block**

**Status**

Current

1 CHARLES GLEN LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #: Z16965710**

Email: [kenpratherts@shaw.ca](mailto:kenpratherts@shaw.ca)

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 23122819738

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 ROYAL VISTA COLLISION LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

Current

---

**Secured Party / Parties**

**Block**

**Status**

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Current

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 24011630469

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-16

Registration Status: Current

Expiry Date: 2026-Jan-16 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00646

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$32,080.79

Costs Are: \$211.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$32,292.39

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 ROYAL VISTA COLLISION LTD  
35 ROYAL VISTA DRIVE NW  
CALGARY, AB T3R 0H9

**Creditor(s)**

**Block**

**Status**

Current

1 2289739 ALBERTA LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #: Z16965710**

Email: [kenpratherts@shaw.ca](mailto:kenpratherts@shaw.ca)

Search ID #: Z16965710

**Business Debtor Search For:**

ROYAL VISTA COLLISION LTD.

Search ID #: Z16965710

Date of Search: 2024-Jan-18

Time of Search: 13:49:37

---

Registration Number: 24011726588

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-17

Registration Status: Current

Expiry Date: 2026-Jan-17 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00658

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-17

Type of Judgment is Other

Original Judgment Amount: \$19,457.61

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$19,684.21

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 ROYAL VISTA COLLISION LTD  
35 ROYAL VISTA DRIVE NW  
CALGARY, AB T3R 0H9

**Creditor(s)**

**Block**

**Status**

Current

1 TRIPLE R AUTO LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #:** Z16965710

Email: kenpratherts@shaw.ca

**Block**

2 OPERATING AS LEXUS OF ROYAL OAK  
7677 112 AVE NW  
CALGARY, AB T3R 1R8  
Email: craigm@charlesglentoyota.com

**Status**

Current

Result Complete



Search ID #: Z16965704

**Transmitting Party**

WEST-END REGISTRATIONS LICENSING & SEARCHES  
LTD. (P158)

10011 170 STREET  
EDMONTON, AB T5P 4R5

Party Code: 50076967  
Phone #: 780 483 8211  
Reference #: 05099645

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z16965704

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

Registration Number: 20090929486

Registration Date: 2020-Sep-09

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Sep-09 23:59:59

Exact Match on:

Debtor

No: 1

**Amendments to Registration**

23122719684

Amendment

2023-Dec-27

**Debtor(s)**

**Block**

**Status**

Current

1 STATHKO INVESTMENTS LTD.  
600, 5920 MACLEOD TRAIL S.  
CALGARY, AB T2H 0K2

**Secured Party / Parties**

**Block**

**Status**

Current

1 THE TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: abautonsp@teranet.ca

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

2 Proceeds: all of the Debtor's present and after-acquired personal property including, but not limited to, all accounts, chattel paper, money, intangibles, goods, documents of title, instruments, investment property, and insurance proceeds (as each of those terms are defined in the PPSA).

Current By  
23122719684

Search ID #: Z16965704

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

Registration Number: 23100331814

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Oct-03

Registration Status: Current

Expiry Date: 2028-Oct-03 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

Current

1 STATHKO INVESTMENTS LTD  
52 AUSTIN STREET  
WINNIPEG, MB R3A 1G8

**Secured Party / Parties**

**Block**

**Status**

Current

1 CHRISTOS STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

2 MATTHEW STATHONIKOS FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

3 DAVID STRETZ FAMILY TRUST  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Block**

**Status**

Current

4 DOMNA INVESTMENTS INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

Search ID #: Z16965704

**Block**

5      1427913 ALBERTA INC.  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Block**

6      1427916 ALBERTA INC  
300, 14505 BANNISTER ROAD SE  
CALGARY, AB T2X 3J3  
Email: anhutton@mcleod-law.com

**Status**  
Current

**Collateral: General**

**Block**

**Description**

1      All present and after acquired personal property of the Debtor

**Status**  
Current

Search ID #: Z16965704

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

---

Registration Number: 23122819629

Registration Type: LAND CHARGE

Registration Date: 2023-Dec-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 STATHKO INVESTMENTS LTD.  
2100, 222 3RD AVE SW  
CALGARY, AB T2P 0B4

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 TORONTO-DOMINION BANK  
360 MAIN STREET, SUITE 2050  
WINNIPEG, MB R3C 3Z3  
Email: tdcomm@td.com

Search ID #: Z16965704

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

---

Registration Number: 24011630758

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-16

Registration Status: Current

Expiry Date: 2026-Jan-16 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00645

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$18,737.46

Costs Are: \$211.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$18,949.06

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 STATHKO INVESTMENTS LTD  
1407 9 AVE SW  
CALGARY, AB T3C 0H9

**Creditor(s)**

**Block**

**Status**

Current

1 2289739 ALBERTA LTD  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4

**Search ID #: Z16965704**

Email: [kenpratherts@shaw.ca](mailto:kenpratherts@shaw.ca)

Search ID #: Z16965704

**Business Debtor Search For:**

STATHKO INVESTMENTS LTD.

Search ID #: Z16965704

Date of Search: 2024-Jan-18

Time of Search: 13:48:38

---

Registration Number: 24011810804

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2024-Jan-18

Registration Status: Current

Expiry Date: 2026-Jan-18 23:59:59

---

Issued in Calgary Judicial Centre

Court File Number is 2401-00641

Judgment Date is 2024-Jan-09

This Writ was issued on 2024-Jan-16

Type of Judgment is Other

Original Judgment Amount: \$39,006.11

Costs Are: \$226.60

Post Judgment Interest: \$0.00

Current Amount Owing: \$39,232.71

---

Exact Match on:

Debtor

No: 1

---

**Solicitor / Agent**

T & S COLLECTIONS LTD.

#105, 412 53 AVENUE SE

CALGARY, AB T2H 0N4

Phone #: 403 202 7336

Fax #: 403 201 7236

Email: kenpratherts@shaw.ca

**Debtor(s)**

**Block**

**Status**

Current

1 STATHKO INVESTMENTS LTD  
1407 9 AVE SW  
CALGARY, AB T3C 0H9

**Creditor(s)**

**Block**

**Status**

Current

1 TRIPLE R AUTO LTD OPERATING AS LEXUS OF ROYAL OAK  
#105, 412 53 AVENUE SE  
CALGARY, AB T2H 0N4



**Search ID #: Z16965704**

Email: kenpratherts@shaw.ca

Result Complete

# Business Debtor

## Search by Business Debtor

Date: 2024-01-18  
Time: 2:51:12 PM  
Transaction Number: 10271977231  
User ID: Jennifer Goncalves

Business Name: NICK'S REPAIR SERVICE LTD.

Account Balance: \$8,125.00

1 exact match was found.

0 similar matches were found.

### EXACT MATCHES

Business Debtor Name	No. of Registrations
1. NICK'S REPAIR SERVICE LTD.	8

## 1. NICK'S REPAIR SERVICE LTD.

### 1.1 NICK'S REPAIR SERVICE LTD.: Registration 202320989401 (2023-12-20 10:59:30 AM)

Registered under	The Tax Administration and Miscellaneous Taxes Act
Expiry Date (YYYY-MM-DD)	2024-12-20
Debtor Address	NO 16 HWY W NEEPAWA, MANITOBA Canada R0J 1H0
This registration is jointly registered with these business debtors	NICK'S REPAIR SERVICE LTD.
Secured Parties (party code, name, address)	AA732 Government of Manitoba Department of Finance Taxation Division 101 - 401 York Avenue Winnipeg, Manitoba Canada R3C 0P8
Serial Numbered Goods (serial number, category, year, description)	1GNDV33137D159436 Motor Vehicle 2007 CHEVROLET UPLANDER LT EXT
	1FTPX12527KD39348 Motor Vehicle 2007 FORD F150 XL SUPERCAB
	1G1PC5SB0E7322405 Motor Vehicle 2014 CHEVROLET CRUZE LT TURBO
	1G1PE5SB0F7157192 Motor Vehicle 2015 CHEROLET CRUZE LT TURBO
	1G1PC5SB0E7395855 Motor Vehicle 2014 CHEVROLET CRUZE LT TURBO
	1FMCU9G97GUA47261 Motor Vehicle 2016 FORD ESCAPE SE
Additional Information	THE RETAIL SALES TAX ACT

### 1.2 NICK'S REPAIR SERVICE LTD.: Registration 202320989401 (2023-12-20 10:59:30 AM)

Registered under	The Tax Administration and Miscellaneous Taxes Act
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<b>Expiry Date (YYYY-MM-DD)</b>	2024-12-20
<b>Debtor Address</b>	BOX 1388 NEEPAWA, MANITOBA Canada R0J 1H0
<b>This registration is jointly registered with these business debtors</b>	NICK'S REPAIR SERVICE LTD.
<b>Secured Parties (party code, name, address)</b>	AA732 Government of Manitoba Department of Finance Taxation Division 101 - 401 York Avenue Winnipeg, Manitoba Canada R3C 0P8
<b>Serial Numbered Goods (serial number, category, year, description)</b>	1GNDV33137D159436 Motor Vehicle 2007 CHEVROLET UPLANDER LT EXT
	1FTPX12527KD39348 Motor Vehicle 2007 FORD F150 XL SUPERCAB
	1G1PC5SB0E7322405 Motor Vehicle 2014 CHEVROLET CRUZE LT TURBO
	1G1PE5SB0F7157192 Motor Vehicle 2015 CHEROLET CRUZE LT TURBO
	1G1PC5SB0E7395855 Motor Vehicle 2014 CHEVROLET CRUZE LT TURBO
	1FMCU9G97GUA47261 Motor Vehicle 2016 FORD ESCAPE SE
<b>Additional Information</b>	THE RETAIL SALES TAX ACT

<b>1.3 NICK'S REPAIR SERVICE LTD.: Registration 202320984302 (2023-12-20 10:08:29 AM)</b>	
<b>Registered under</b>	The Tax Administration and Miscellaneous Taxes Act
<b>Expiry Date (YYYY-MM-DD)</b>	2024-12-20
<b>Debtor Address</b>	NO 16 HWY W NEEPAWA, MANITOBA Canada R0J 1H0
<b>Secured Parties (party code, name, address)</b>	AA732 Government of Manitoba Department of Finance Taxation Division 101 - 401 York Avenue Winnipeg, Manitoba Canada R3C 0P8
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.
<b>Additional Information</b>	THE RETAIL SALES TAX ACT

<b>1.4 NICK'S REPAIR SERVICE LTD.: Registration 202312273502 (2023-07-26 10:44:10 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2024-07-29
<b>Special Notices</b>	Purchase Money Security Interest
<b>Debtor Address</b>	149 PTH 16W NEEPAWA, MANITOBA Canada R0J 1H0
<b>This registration is jointly registered with these business debtors</b>	BUNZY'S AUTO BODY LTD.

<b>Secured Parties (party code, name, address)</b>	FALCON AUTO LEASING INC. 361 MARION STREET WINNIPEG, MANITOBA Canada R2H 0V4
<b>General Collateral Description</b>	ASSIGNMENT OF LEASE #19-1106-48 BETWEEN FALCON AUTO LEASING INC. AND BUNZY'S AUTO BODY LTD. AND NICK'S REPAIR SERVICE LTD. DATED AUGUST 12TH, 2020.
<b>Serial Numbered Goods (serial number, category, year, description)</b>	JM3KFBCM1K0560797 Motor Vehicle 2019 MAZDA CX5 GS AWD - BLUE

<b>1.5 NICK'S REPAIR SERVICE LTD.: Registration 202307065900 (2023-05-04 10:48:36 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2033-05-04
<b>Debtor Address</b>	149 MB-16 W NEEPAWA, MANITOBA Canada R0J 1H0
<b>This registration is jointly registered with these business debtors</b>	BUNZY'S AUTO BODY LTD. 10026923 MANITOBA LTD.
<b>Secured Parties (party code, name, address)</b>	THE TORONTO-DOMINION BANK BRANCH # 6330 360 MAIN STREET Winnipeg, Manitoba Canada R3C 3Z8
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.

<b>1.6 NICK'S REPAIR SERVICE LTD.: Registration 201907697709 (2019-05-10 10:59:03 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2024-05-10
<b>Debtor Address</b>	149 PTH 16 WEST NEEPAWA, MB Canada R0J 1H0
<b>Secured Parties (party code, name, address)</b>	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON Canada M2P 0A4
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.

<b>1.7 NICK'S REPAIR SERVICE LTD.: Registration 201821478907 (2018-11-29 10:58:51 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2028-11-29
<b>Debtor Address</b>	149 PTH 16 WEST NEEPAWA, MB Canada R0J 1H0
<b>Secured Parties (party code, name, address)</b>	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON Canada M2P 0A4
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.
<b>Change History</b>	Registration Number: 202318312917 (2023-11-03 7:06:43 AM) Sections Changed: Expiry Date

<b>1.8 NICK'S REPAIR SERVICE LTD.: Registration 201821457004 (2018-11-29 8:52:10 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act

<b>Expiry Date (YYYY-MM-DD)</b>	2028-11-29
<b>Debtor Address</b>	371 NIAGARA STREET WINNIPEG, MANITOBA Canada R3N 0V3
<b>Secured Parties (party code, name, address)</b>	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ONTARIO Canada M2P 0A4
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.
<b>Additional Information</b>	Change debtor's name from NICK'S REPAIR SERVICE LTD. to NICK'S REPAIR SERVICE LTD. due to amalgamation on Dec 1, 2018.
<b>Change History</b>	Registration Number: 202318405117 (2023-11-06 8:21:45 AM) Sections Changed: Expiry Date
	Registration Number: 201908697117 (2019-05-27 5:51:40 PM) Sections Changed: Additional Information

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**END OF EXACT MATCHES**

# Business Debtor

## Search by Business Debtor

Date: 2024-01-18  
Time: 2:49:28 PM  
Transaction Number: 10271977169  
User ID: Jennifer Goncalves

Business Name: 10026923 MANITOBA LTD.

Account Balance: \$8,149.00

**1 exact match was found.**

**0 similar matches were found.**

### EXACT MATCHES

Business Debtor Name	No. of Registrations
1. 10026923 MANITOBA LTD.	2

#### 1. 10026923 MANITOBA LTD.

1.1 10026923 MANITOBA LTD.: Registration 202307065900 (2023-05-04 10:48:36 AM)	
Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2033-05-04
Debtor Address	149 MB-16 W NEEPAWA, MANITOBA Canada R0J 1H0
This registration is jointly registered with these business debtors	BUNZY'S AUTO BODY LTD. NICK'S REPAIR SERVICE LTD.
Secured Parties (party code, name, address)	THE TORONTO-DOMINION BANK BRANCH # 6330 360 MAIN STREET Winnipeg, Manitoba Canada R3C 3Z8
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.

1.2 10026923 MANITOBA LTD.: Registration 201821561600 (2018-11-30 12:06:54 PM)	
Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2028-11-29
Debtor Address	371 NIAGARA ST WINNIPEG, MB Canada R3N 0V3
Secured Parties (party code, name, address)	ROYAL BANK OF CANADA 36 YORK MILLS ROAD, 4TH FLOOR TORONTO, ON Canada M2P 0A4
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.
Change History	Registration Number: 202318487512 (2023-11-07 8:18:05 AM) Sections Changed: Expiry Date

END OF EXACT MATCHES

# Business Debtor

## Search by Business Debtor

Date: 2024-01-18  
Time: 2:50:18 PM  
Transaction Number: 10271977204  
User ID: Jennifer Goncalves

Business Name: BUNZY'S AUTO BODY LTD.

Account Balance: \$8,137.00

2 exact matches were found.

0 similar matches were found.

### EXACT MATCHES

Business Debtor Name	No. of Registrations
1. BUNZY'S AUTO BODY LTD.	4
2. Bunzy's Auto Body Ltd.	1

## 1. BUNZY'S AUTO BODY LTD.

### 1.1 BUNZY'S AUTO BODY LTD.: Registration 202312273502 (2023-07-26 10:44:10 AM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2024-07-29
Special Notices	Purchase Money Security Interest
Debtor Address	52 AUSTIN ST. WINNIPEG, MANITOBA Canada R3B 0Z7
This registration is jointly registered with these business debtors	NICK'S REPAIR SERVICE LTD.
Secured Parties (party code, name, address)	FALCON AUTO LEASING INC. 361 MARION STREET WINNIPEG, MANITOBA Canada R2H 0V4
General Collateral Description	ASSIGNMENT OF LEASE #19-1106-48 BETWEEN FALCON AUTO LEASING INC. AND BUNZY'S AUTO BODY LTD. AND NICK'S REPAIR SERVICE LTD. DATED AUGUST 12TH, 2020.
Serial Numbered Goods (serial number, category, year, description)	JM3KFBCM1K0560797 Motor Vehicle 2019 MAZDA CX5 GS AWD - BLUE

### 1.2 BUNZY'S AUTO BODY LTD.: Registration 202307065900 (2023-05-04 10:48:36 AM)

Registered under	The Personal Property Security Act
Expiry Date (YYYY-MM-DD)	2033-05-04
Debtor Address	52 AUSTIN STREET WINNIPEG, MANITOBA Canada R3B 0Z7
This registration is jointly registered with these business debtors	NICK'S REPAIR SERVICE LTD. 10026923 MANITOBA LTD.
Secured Parties (party code, name, address)	THE TORONTO-DOMINION BANK BRANCH # 6330 360 MAIN STREET Winnipeg, Manitoba Canada R3C 3Z8
General Collateral Description	*The security interest is taken in all of the debtor's present and after-acquired personal property.

<b>1.3 BUNZY'S AUTO BODY LTD.: Registration 202303021401 (2023-02-27 2:35:18 PM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2026-02-27
<b>Special Notices</b>	Purchase Money Security Interest
<b>Debtor Address</b>	52 AUSTIN STREET WINNIPEG, MB Canada R3B0Z7
<b>Secured Parties (party code, name, address)</b>	MERIDIAN ONECAP CREDIT CORP. 204 - 3185 Willingdon Green Burnaby, BC Canada V5G4P3
<b>General Collateral Description</b>	COMPRESSOR(S) S/N WCH1065319 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

<b>1.4 BUNZY'S AUTO BODY LTD.: Registration 202116974705 (2021-09-21 11:17:23 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2024-09-21
<b>Special Notices</b>	Purchase Money Security Interest
<b>Debtor Address</b>	52 AUSTIN ST. WINNIPEG, MANITOBA Canada R3B 0Z7
<b>Secured Parties (party code, name, address)</b>	FALCON AUTO LEASING INC. 361 MARION STREET WINNIPEG, MANITOBA Canada R2H 0V4
<b>General Collateral Description</b>	ASSIGNMENT OF LEASE #21-373-36 BETWEEN FALCON AUTO LEASING INC. AND BUNZY'S AUTO BODY LTD. DATED SEPTEMBER 1ST, 2021.  ASSIGNMENT OF LEASE #21-506-36 BETWEEN FALCON AUTO LEASING INC. AND BUNZY'S AUTO BODY LTD. DATED SEPTEMBER 1ST, 2021.
<b>Serial Numbered Goods (serial number, category, year, description)</b>	JM1BPACL1M1346378 Motor Vehicle 2021 MAZDA MAZDA3 GS - RED  JM1BPACL4M1349436 Motor Vehicle 2021 MAZDA MAZDA3 GS - GREY

## 2. Bunzy's Auto Body Ltd.

<b>2.1 Bunzy's Auto Body Ltd.: Registration 201813293906 (2018-07-25 11:04:56 AM)</b>	
<b>Registered under</b>	The Personal Property Security Act
<b>Expiry Date (YYYY-MM-DD)</b>	2028-12-31
<b>Debtor Address</b>	52 Austin Street Winnipeg, Manitoba Canada R3B 0Z7
<b>Secured Parties (party code, name, address)</b>	Crosstown Civic Credit Union Limited Commercial Department 171 Donald Street Winnipeg, Manitoba Canada R3C 1M4
<b>General Collateral Description</b>	*The security interest is taken in all of the debtor's present and after-acquired personal property.  An Assignment of Insurance in favour of the Secured Party, which assigns, transfers and sets over unto the Secured Party, and grants to the Secured Party a security interest in all present and future insurance policies, and the proceeds therefrom, with respect to the lands and premises situated at 52 Austin Street, Winnipeg, MB and



legally described as: SP Lot 19 Plan 32688 WLTO In RL 35 Parish of St John A Guarantee pursuant to which the Debtor assigned and postponed in favour of the Secured Party and granted a security interest in all debts and amounts which may now or hereafter be owed to the Debtor by 10021134 Manitoba Ltd.

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**END OF EXACT MATCHES**

**THIS IS EXHIBIT "50" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## STATUS OF TITLE

Title Number **2985051/5**  
Title Status **Accepted**  
Client File **0137640.00022/MC/JG**



### 1. REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

LOT 2 PLAN 52644 NLTO  
EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN  
TRANSFER 95792 NLTO  
IN SW 1/4 32-14-15 WPM

The land in this title is, unless the contrary is expressly declared, deemed to be subject to the reservations and restrictions set out in section 58 of *The Real Property Act*.

### 2. ACTIVE INSTRUMENTS

Instrument Type: **Caveat**  
Registration Number: **1094591/5**  
Instrument Status: **Accepted**

Registration Date: 2012-07-05  
From/By: THE MANITOBA HYDRO-ELECTRIC BOARD  
To:

Amount:  
Notes: AFF: PART IN PLAN 53016  
Description: EASEMENT AGREEMENT

---

Instrument Type: **Mortgage**  
Registration Number: **1135535/5**  
Instrument Status: **Accepted**

Registration Date: 2018-12-04  
From/By: 10026923 MANITOBA LTD.  
To: ROYAL BANK OF CANADA

Amount: \$490,000.00  
Notes: No notes  
Description: No description

Instrument Type: **Mortgage**  
Registration Number: **1135536/5**  
Instrument Status: **Accepted**

Registration Date: 2018-12-04  
From/By: 10026923 MANITOBA LTD.  
To: William Garth White & Gail Ann White

Amount: \$250,000.00  
Notes: No notes  
Description: as joint tenants

**3. ADDRESSES FOR SERVICE**

10026923 MANITOBA LTD.  
149 PTH 16 W  
Neepawa MB  
R0J 1H0

**4. TITLE NOTES**

No title notes

**5. LAND TITLES DISTRICT**

Neepawa

**6. DUPLICATE TITLE INFORMATION**

Duplicate not produced

**7. FROM TITLE NUMBERS**

2588690/5 All

**8. REAL PROPERTY APPLICATION / CROWN GRANT NUMBERS**

No real property application or grant information

**9. ORIGINATING INSTRUMENTS**

Instrument Type: **Transfer Of Land**  
Registration Number: **1135534/5**

Registration Date: 2018-12-04  
From/By: William Garth White & Gail Ann White  
To: 10026923 MANITOBA LTD.  
Consideration: \$225,000.00

**10. LAND INDEX**

Lot 2 Plan 52644  
IN SW 1/4 32-14-15 WPM EXC 1/2 M&M

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA STORAGE  
SYSTEM OF TITLE NUMBER 2985051/5

## STATUS OF TITLE

Title Number **2985050/5**  
Title Status **Accepted**  
Client File **0137640.00022/MC/JG**



### 1. REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

PARCEL ONE:

PARCEL "B" PLAN 5203 NLTO

EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

PARCEL TWO:

PARCEL "B" PLAN 5203 NLTO

SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM

The land in this title is, unless the contrary is expressly declared, deemed to be subject to the reservations and restrictions set out in section 58 of *The Real Property Act*.

### 2. ACTIVE INSTRUMENTS

Instrument Type: **Caveat**  
Registration Number: **1028093/5**  
Instrument Status: **Accepted**

Registration Date: 2002-12-03  
From/By: MTS COMMUNICATIONS INC.  
To:

Amount:  
Notes: AFF: SLY 20 M P OF ALL  
Description: EASEMENT AGREEMENT

Instrument Type: **Mortgage**  
Registration Number: **1135535/5**  
Instrument Status: **Accepted**

Registration Date: 2018-12-04  
From/By: 10026923 MANITOBA LTD.  
To: ROYAL BANK OF CANADA

Amount: \$490,000.00  
Notes: No notes  
Description: No description

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Instrument Type: **Mortgage**  
Registration Number: **1135536/5**  
Instrument Status: **Accepted**

Registration Date: 2018-12-04  
From/By: 10026923 MANITOBA LTD.  
To: William Garth White & Gail Ann White

Amount: \$250,000.00  
Notes: No notes  
Description: as joint tenants

**3. ADDRESSES FOR SERVICE**

10026923 MANITOBA LTD.  
149 PTH 16 W  
Neepawa MB  
R0J 1H0

**4. TITLE NOTES**

No title notes

**5. LAND TITLES DISTRICT**

Neepawa

**6. DUPLICATE TITLE INFORMATION**

Duplicate not produced

**7. FROM TITLE NUMBERS**

1884679/5      All

**8. REAL PROPERTY APPLICATION / CROWN GRANT NUMBERS**

No real property application or grant information

**9. ORIGINATING INSTRUMENTS**

Instrument Type: **Transfer Of Land**  
Registration Number: **1135534/5**

Registration Date: 2018-12-04  
From/By: William Garth White & Gail Ann White  
To: 10026923 MANITOBA LTD.  
Consideration: \$225,000.00

**10. LAND INDEX**

Lot B Plan 5203  
IN S 1/2 32-14-15W EX 1/2 M&M ON SW EX RES ON SE

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA STORAGE  
SYSTEM OF TITLE NUMBER 2985050/5



**THIS IS EXHIBIT "51" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## STATUS OF TITLE

Title Number **1409033/1**  
Title Status **Accepted**  
Client File **0137640.00022 / JG / KS**



### 1. REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION

BUNZY'S AUTO BODY LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

SP LOT 19 PLAN 32688 WLTO  
IN RL 35 PARISH OF ST JOHN

The land in this title is, unless the contrary is expressly declared, deemed to be subject to the reservations and restrictions set out in section 58 of *The Real Property Act*.

### 2. ACTIVE INSTRUMENTS

Instrument Type: **Mortgage**  
Registration Number: **4982387/1**  
Instrument Status: **Accepted**

Registration Date: 2018-07-31  
From/By: BUNZY'S AUTO BODY LTD.  
To: CROSSTOWN CIVIC CREDIT UNION LIMITED

Amount: \$750,000.00  
Notes: No notes  
Description: No description

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Instrument Type: **Personal Property Security Notice**  
Registration Number: **4994171/1**  
Instrument Status: **Accepted**

Registration Date: 2018-09-04  
From/By: CROSSTOWN CIVIC CREDIT UNION LIMITED  
To: A. DAVID MARSHALL AS AGENT

Amount:  
Notes: No notes  
Description: EXPIRES DEC 31, 2028 (FIXTURES)

<b>3. ADDRESSES FOR SERVICE</b>
BUNZY'S AUTO BODY LTD. 52 AUSTIN STREET WINNIPEG MB
<b>4. TITLE NOTES</b>
No title notes
<b>5. LAND TITLES DISTRICT</b>
Winnipeg
<b>6. DUPLICATE TITLE INFORMATION</b>
Duplicate not produced
<b>7. FROM TITLE NUMBERS</b>
1335854/1          All
<b>8. REAL PROPERTY APPLICATION / CROWN GRANT NUMBERS</b>
No real property application or grant information
<b>9. ORIGINATING INSTRUMENTS</b>
Instrument Type: <b>Request To Issue Title - Internal</b>
Registration Number: <b>1950426/1</b>
Registration Date:         1995-09-22
From/By:                    WINNIPEG LAND TITLES OFFICESPECIAL PLOT PROGRAM
To:
Amount:
<b>10. LAND INDEX</b>
Lot 19 Plan 32688

CERTIFIED TRUE EXTRACT PRODUCED FROM THE LAND TITLES DATA STORAGE SYSTEM OF TITLE NUMBER 1409033/1

**THIS IS EXHIBIT "52" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## LOAN AGREEMENT

THIS LOAN AGREEMENT is made effective October 11, 2023

**BETWEEN:**

**5993092 MANITOBA LTD. o/a RONDEX,**  
(the "Lender")

**AND:**

**COLLISION KINGS GROUP INC.,**  
("CKG")

**AND:**

**CMD HOLDINGS INC.,**  
("CMD", together with CKG, the "Borrowers")

**WHEREAS:**

- A. The Borrowers and their subsidiaries are indebted to the Lender with respect to outstanding receivables relating to product purchased from the Lender and its affiliates (the "Rondex Group") in the amount of \$708,114.66 as of October 5, 2023 (the "Existing Debt").
- B. The parties have agreed to enter into this Agreement to govern the terms of repayment of the Existing Debt and the availability of ongoing purchase credit financing from and after the date of this Agreement.

**NOW THEREFORE, IN CONSIDERATION** of the provision of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereby agree to the following:

### **DEFINITIONS**

Unless otherwise provided, all dollar amounts are in Canadian currency. Any capitalized terms not otherwise defined in this letter agreement shall have the meanings ascribed thereto in Schedule "A" attached hereto.

### **A. TAKEOUT FINANCING & CREDIT FORGIVENESS**

- 1. Promptly upon execution of this Agreement, the Borrowers shall make payment to the Lender on account of the Existing Debt in the amount required to reduce the amount of the Existing Debt to Seven Hundred Thousand (\$700,000.00) Dollars (the "Takeout

**Loan Amount**”), which as of October 5, 2023 is \$8,114.66 (the “**Closing Payment Amount**”). Upon payment of the Closing Payment Amount, and without any further act required on the part of the Borrowers or acknowledgment by the Lender, the Lender has agreed to forgive a portion of the Existing Debt in an amount equal to an aggregate amount of Three Hundred Thousand (\$300,000.00) Dollars (the “**Forgiven Amount**”), which shall be forgiven over time, on the following schedule:

- a. Seventy-Five Thousand (\$75,000.00) Dollars immediately upon the execution of this Agreement;
  - b. Seventy-Five Thousand (\$75,000.00) Dollars on the date that is six (6) months from the date of this Agreement;
  - c. Seventy-Five Thousand (\$75,000.00) Dollars on the date that is twelve (12) months from the date of this Agreement; and
  - d. Seventy-Five Thousand (\$75,000.00) Dollars on the date that is eighteen (18) months from the date of this Agreement.
2. Subject only to the conditions precedent, the foregoing credit schedule shall be unconditional and not be contingent upon any act or thing by any party excepting the passage of time in accordance with the foregoing schedule.
  3. The Borrowers agree to repay the balance of the Takeout Loan Amount by way of twenty-four (24) equal monthly instalments, commencing on the date that is thirty (30) calendar days from the date of this Agreement, and payable to the Lender on the first day of each month thereafter.

## **B. PURCHASE CREDIT FINANCING**

4. The Lender agrees to provide a revolving purchase credit financing from and after the date of this Agreement of up to \$250,000.00 (the “**Purchase Credit Financing**”) to the Borrowers and their subsidiaries (both direct and indirect) (collectively, the “**CKG Group**”) from the Lender and its affiliates (the “**Rondex Group**”). The Borrowers shall be jointly and severally liable to the Lender for all purchases from the Rondex Group by the CKG Group.
5. The purchase credit financing shall be net thirty (30) days of the invoice date. In the event that the Lender does not receive payment in full for Products from a member of the CKG Group by the date which is thirty (30) days after the date of invoice, then, at the option of the Lender, in its sole discretion, one or more of the following may be implemented by the Lender by notice in writing to the Borrowers: (i) all payments in respect of products purchased from the Rondex Group which have been delivered to any member of the CKG Group but not yet paid for shall become immediately due and owing; (ii) any products ordered thereafter by any member of the CKG Group shall be invoiced and payable in cash on delivery (C.O.D.); and/or (iii) deliveries of products from any of the Rondex Group may be paused from time to time; all until satisfactory payment for such products delivered by the Rondex Group has been made by the Borrowers.

## **C. SECURITY**

6. The Borrowers hereby acknowledge and confirm that the multi-party general security agreement granted by the Borrowers and 2270683 Alberta Ltd. (which was amalgamated into CMD) in connection with the CSSA shall be security in favour of the

Lender for all amounts owing to the Lender hereunder with respect to the Takeout Loan Amount and the Purchase Credit Financing (the “**Credit Facilities**”).

**D. CONDITIONS PRECEDENT**

7. This Lender agreeing to the provide the Credit Facilities is subject to the following conditions precedent:

- (a) Receipt by the Lender of the Closing Payment Amount;
- (b) Receipt by the Lender of Officer’s Certificates from the Borrowers including copies of constating documents, by-laws, authorizing resolutions and other corporate matters with respect to the Borrowers;

- (c) [REDACTED]
- (d) [REDACTED]

**E. TERMS AND CONDITIONS**

8. **Agreement to Pay and Indemnification.** The Borrowers do hereby jointly and severally covenant and agree to:

- (a) pay to the Lender, on demand, any and all amounts due to the Lender hereunder; and
- (b) indemnify and save the Lender harmless from and against any actions, suits, assessments, losses, claims, demands, damages, costs, liabilities and expenses whatsoever (including legal fees on a solicitor and its own client basis) brought or assessed against, or incurred or suffered by the Lender directly or indirectly as a result of or in connection with the Lender having provided the Credit Facilities (collectively, “**Losses**”) and Costs (as hereinafter defined).

9. **Costs.** All costs and expenses whatsoever which the Lender is required to pay in connection with the enforcement of its rights hereunder, including all reasonable legal, bank and professional fees (collectively, the “**Costs**”) will be for the account of the Borrowers, and shall be paid by the Borrowers to the Lender forthwith on demand. Any Costs not paid within ten (10) days of demand shall bear interest at the Interest Rate from date of demand to date of repayment by the Lender.

10. **Interest.** The principal amount outstanding under the Credit Facilities shall bear interest at the Interest Rate (as hereinafter defined) until paid by the Borrowers to the Lender (the “**Interest**”). The Borrowers jointly and severally covenant and agree to pay all of the Interest in accordance with Section 10 hereof.

11. **Rates.** For the purposes hereof:

- (a) the “**Interest Rate**” shall be the prime rate established by the Lender’s primary lender (which as of the date hereof is Bank of Nova Scotia) plus four (4%) percent per annum.

- (b) Interest shall accrue daily (on the basis of the actual number of days elapsed and a year of 365 days) and be calculated monthly, not in advance, and payable by the Borrowers to the Lender on the first day of each month.
  - (c) To the extent that Goods and Services Tax ("**GST**") is exigible on or in respect of the Interest, the Borrowers shall be responsible to pay same over to the Lender on, and at the same time as, each payment of Interest.
  - (d) Any part of the Interest, Costs or GST which remains unpaid when due shall bear interest at the Interest Rate, which shall be payable on demand.
  - (e) Interest which is calculated with reference to a period (the "**deemed interest period**") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.
12. **Maximum Rate.** The Borrowers shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by law. In any such case, any payment, collection or demand for interest, fees or costs in excess of the maximum permitted rate shall be deemed to have been made by mutual mistake of the Borrowers and the Lender, any excess payment shall be refunded to the Borrowers and the amount or rate otherwise payable under the terms of this Agreement shall be reduced to the maximum amount or rate payable in accordance with applicable law.
13. **Prepayment.** The Borrowers shall be entitled to repay any and all amounts owing to the Lender hereunder, in whole or in part, including interest, at any time, without notice, bonus or penalty. Upon payment of all amounts owing to the Lender hereunder, in whole, including interest, and the termination of all available credit under this Agreement, this Agreement and all security granted hereunder shall be terminated.
14. **Place of Payment.** Amounts payable by the Borrowers hereunder shall be paid to the Lender at its head office as at 177 Isabel Street, Winnipeg, MB R3A 1G8 (Attention: Bret Greenwood, President) or at such other address as the Lender may direct the Borrowers from time to time. Amounts due on a day other than a business day shall be deemed to be due on the business day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgment.
15. **Evidence of Amounts Owing by the Borrowers to the Lender.** The records of the Lender, as supplemented by reasonable supporting documentation of the basis for such payments and provided to the Borrowers, shall constitute, in the absence of manifest error, conclusive evidence of the amounts owing by the Borrowers (or to any of them) by, and Costs incurred by the Lender, and of all losses and Interest owing by the Borrowers to the Lender pursuant to this Agreement.



## **F. BORROWERS' COVENANTS**

16. The Borrowers hereby covenant and agree that: (a) they shall pay all amounts owing to the Lender at any time by one or more of the Borrowers as and when such amounts become due; and (b) they shall perform all obligations owing to the Lender hereunder and under each of the documents and agreements entered into from time to time between any one or more of the Borrowers and the Lender.
17. Intentionally deleted.
18. Each of the Borrowers further covenant and agree, jointly and severally, with the Lender, while this Agreement is in effect:
  - (a) to pay all sums of money when due by it under this Agreement;
  - (b) to provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;
  - (c) to give the Lender written notice following any change in the ownership of the shares in any Borrower no later than five (5) days after any such change
  - (d) to keep the assets of the Borrowers fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets, and to provide evidence to the Lender of such coverage upon reasonable request;
  - (e) to file all tax returns which are to be filed from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and Potential Prior-Ranking Claims when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
  - (f) to comply in all material respects with all Applicable Laws;
  - (g) other than the sale of Bunzy's Auto Body Ltd., 10026923 Manitoba Ltd., and Nick's Repair Service Ltd., to give the Lender written notice following any sale, transfer, conveyance, lease or otherwise disposal of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms no later than five (5) days thereafter;
  - (h) to give the Lender written notice following any grant, creation, assuming or suffering to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights (other than Permitted Prior Encumbrances) no later than five (5) days thereafter;
  - (i) to give the Lender written notice following any granting of a guarantee or otherwise providing for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person no later than five (5) days thereafter;

- (j) to give the Lender written notice following any merger, amalgamation, or otherwise entering into any other form of business combination with any other Person no later than five (5) days thereafter; and
- (k) to permit the Lender or its representatives, from time to time, to visit and inspect the premises, properties and assets of the Borrowers and examine and obtain copies of the records or other information of the Borrowers and discuss the affairs of the Borrowers with their accountants, counsel and other professional advisors.

#### **G. EVENTS OF DEFAULT**

19. If, at any time during the Term:

- a. The Borrowers have not paid any amount owed to the Lender when due, and such non-payment is not remedied within seven (7) days of after written notice of such non-payment is delivered by the Lender to the Borrowers (a "**Payment Default**");
- b. The Borrowers are in default or breach of any term or condition of this Agreement (other than a Payment Default) and such breach or default is not remedied within thirty (30) days after written notice of such default or breach is delivered by the Lender to such party;
- c. any Borrower defaults in the payment of any indebtedness to any Person, or in the performance or observance of any agreement in respect of any such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated;
- d. any event of bankruptcy or insolvency or similar event shall occur involving either of the Borrowers;
- e. Any of the Borrowers merges with another entity or is reorganized;
- f. Any of the Borrowers sells substantially all of its assets or business to another person or entity
- g. There occurs any change in the ownership or control of 50% or more of the voting shares of any of the Borrowers, in one or a series of related transactions; or
- h. Any of the Borrowers ceases to function as an operating entity or is reorganized.

(each of (a) through (h) above, being a "**Termination Event**"),

then the Lender shall have the right, at its option, to immediately terminate the Credit Facilities upon notice to the Borrowers and shall have no further obligation with respect to the Credit Facilities, without limitation to the rights of remedies available to the Lender hereunder or at law. For greater certainty, the schedule of forgiveness of the Forgiven Amount shall not be altered or amended as a result of the termination of the Credit Facilities under this Section 19.

## **H. GENERAL**

20. Representations - The Borrowers jointly and severally represent and warrant in favour of the Lender, and acknowledge and agree that the Lender will be relying on the following representations in making the Credit Facilities available:
- (a) That each of them has all necessary power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement, and the making of the payments contemplated hereunder, will not constitute a breach by any of the Borrowers of any law, statute or regulation, or of any agreement or indenture whatsoever to which any of them is a party or by which any of their respective (or joint) assets are bound.
  - (b) This Agreement constitutes valid and binding obligations of each of the Borrowers, enforceable against them and their respective successors in accordance with its respective terms.
  - (c) Neither the entering into of this Agreement, nor the consummation of the Borrowers' respective obligations hereunder, shall constitute a breach or violation of, default under, or require the consent of any person under, any law, indenture, agreement or instrument whatsoever to which they are bound or subject.
  - (d) There are no suits, actions, litigation, arbitration proceedings or governmental proceedings, including appeals and applications for review, in progress, pending or threatened against, or involving any of the Borrowers, or any judgments, decrees, injunctions, rules or orders of any court, governmental department, commission, agency, instrumentality or arbitrator, which, in any such case, might adversely affect the ability of any of the Borrowers to enter into this Agreement or to perform their obligations contemplated hereby.
21. Attorneys' Fees – If the Lender brings a successful legal action to remedy any breach of this Agreement, or to enforce its rights hereunder, it shall also be entitled to recover from the Borrowers all attorneys' fees (on a solicitor and his own client basis), court costs, sheriff's fees and other costs and fees actually incurred in connection with all such actions, in addition to any other relief to which the Lender may be entitled.
22. Non-Merger – The provisions of this Agreement shall not merge with any security provided to the Lender, but shall continue in full force for the benefit of the parties hereto.
23. Amendments and Waivers – No amendment or waiver of any provision of this Agreement will be effective unless it is in writing signed by the Borrowers and the Lender. No failure or delay, on the part of the Lender in exercising any right or power hereunder shall operate as a waiver thereof.
24. Severability – If any provision of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining provisions of this Agreement.

25. Successors, Assigns - This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns. None of the Borrowers shall assign, subcontract or otherwise delegate any of its rights or obligations under this Agreement without the prior written consent of the Lender. Neither of the Borrowers shall permit or enter into any transaction that would constitute a change of control of it or of any of its subsidiaries without the Lender's prior written consent (excluding Bunzy's Auto Body Ltd. and 10026923 Manitoba Ltd.), which shall not be unreasonably withheld. Permitted assignees and/or successors of the Borrowers, as the case may be, shall assume all responsibility for all obligations and duties of the assignor under this Agreement. Any assignment without the Lender's consent shall be void.
26. Governing Law – This Agreement shall be construed in accordance with and governed by the laws of the Province of Manitoba and of Canada applicable therein.
27. Whole Agreement and Relationship - This Agreement, the security confirmed hereunder and any other written agreement delivered referred to in this Agreement constitute the whole and entire agreement between the parties in respect of the credit facility matters contemplated herein. There are no verbal agreements, covenants, undertakings or representations in connection with the Credit Facilities. Notwithstanding the foregoing, the Axalta Incentive Agreement contains certain additional terms in effect between CMD and the Lender. Nothing herein shall be construed as forming a relationship of partnership or joint venture between the Lender and any one of more of the Borrowers.
28. Time – Time shall be of the essence in all provisions of this Agreement.
29. Counterparts. – This Agreement may be signed in several counterparts and by facsimile or electronic (PDF) counterpart, each of which shall be deemed to be an original and, when taken together, shall be deemed to constitute one and the same instrument.

*[Signature page follows]*

**IN WITNESS WHEREOF** the parties hereto have caused this Loan Agreement to be duly executed and delivered as of the day and year first written above.

**5993092 MANITOBA LTD. o/a RONDEX**

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

Name:

Title:

**COLLISION KINGS GROUP INC.**

*Swk*

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

Name: Shane Daerden

Title: President

**CMD HOLDINGS INC.**

*Swk*

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

Name: Shane Daerden

Title: President

**IN WITNESS WHEREOF** the parties hereto have caused this Loan Agreement to be duly executed and delivered as of the day and year first written above.

**5993092 MANITOBA LTD. o/a RONDEX**

Per: Bret Greenwood  
Name: Bret Greenwod  
Title: President

**COLLISION KINGS GROUP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Name:  
Title:

## Schedule "A"

Schedule "A" to the Loan Agreement dated October 11, 2023, between 5993092 MANITOBA LTD. o/a Rondex, CMD HOLDINGS INC. and COLLISION KINGS GROUP INC.

### DEFINITIONS

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

**"Applicable Laws"** means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction;

**"Axalta Incentive Agreement"** means the Incentive Agreement and the Master Incentive Agreement, both dated September 8, 2020 among the Lender, CMD and Axalta Coating Systems Canada Company;

**"business day"** means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which the Lender's head office is closed in the Province of Manitoba;

**"CSSA"** means the Credit Support and Supply Agreement among the Lender, the Borrowers and 2270683 Alberta Ltd. (which was amalgamated into CMD) dated as of September 8, 2020;

**"Permitted Prior Encumbrances"** means registrations in respect of the Borrowers by Axalta or any other creditor whose liens have been approved by the Lender as Permitted Prior Encumbrances including, without limitation, those listed and accepted by Axalta pursuant to the terms of the Axalta Incentive Agreement;

**"Person"** includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity; and

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











# CKG Closing Documents (01-12)

Final Audit Report

2023-10-10

Created:	2023-10-10
By:	Jayelle Friesen (jsfriesen@mltaikins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAApFX-g0GM1cfX34q41ukUJECD8j-XaEyK

## "CKG Closing Documents (01-12)" History

-  Document created by Jayelle Friesen (jsfriesen@mltaikins.com)  
2023-10-10 - 5:53:22 PM GMT- IP address: 198.169.110.104
-  Document emailed to shane@collisionkings.ca for signature  
2023-10-10 - 6:11:49 PM GMT
-  Document emailed to mark@collisionkings.ca for signature  
2023-10-10 - 6:11:49 PM GMT
-  Email viewed by shane@collisionkings.ca  
2023-10-10 - 6:17:00 PM GMT- IP address: 72.136.102.68
-  Signer shane@collisionkings.ca entered name at signing as Shane daerden  
2023-10-10 - 6:18:33 PM GMT- IP address: 72.136.102.68
-  Document e-signed by Shane daerden (shane@collisionkings.ca)  
Signature Date: 2023-10-10 - 6:18:35 PM GMT - Time Source: server- IP address: 72.136.102.68
-  Email viewed by mark@collisionkings.ca  
2023-10-10 - 8:32:47 PM GMT- IP address: 184.71.80.190
-  Signer mark@collisionkings.ca entered name at signing as Mark Jones  
2023-10-10 - 8:45:18 PM GMT- IP address: 184.71.80.190
-  Document e-signed by Mark Jones (mark@collisionkings.ca)  
Signature Date: 2023-10-10 - 8:45:20 PM GMT - Time Source: server- IP address: 184.71.80.190
-  Agreement completed.  
2023-10-10 - 8:45:20 PM GMT



**THIS IS EXHIBIT "53" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**LEASE**

**CMD HOLDINGS INC.  
TENANT**

**CMD PROPERTIES INC.  
LANDLORD**

**Premises located at:  
4600 - 112 Avenue S.E.  
Calgary, Alberta**

THIS LEASE made as of the 25 day of September 2020

B E T W E E N:

**CMD PROPERTIES INC.**

(the "Landlord")

and

**CMD HOLDINGS INC.**

(the "Tenant")

In consideration of the Premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared between the parties as follows:

## ARTICLE 1 – DEFINITIONS

### 1. Definitions

- 1.1 The terms defined herein shall have, for all purposes of this Lease and all instruments supplemental hereto, the following meanings, unless the context expressly or by necessary implication otherwise requires:
- 1.2 “**Additional Rent**” means all sums of money, other than Basic Rent, which are required to be paid by the Tenant pursuant to any provision of this Lease, and which is deemed to be accruing on a day-to-day basis.
- 1.3 “**Additional Service**” means any service identified as such in this Lease or which is requested by the Tenant in addition to those supplied by the Landlord and which the Landlord is prepared to supply at an additional cost to the Tenant.
- 1.4 “**Additional Service Cost**” means the additional amount identified as such in this Lease or payable by the Tenant to the Landlord for any Additional Service.
- 1.5 “**Basic Rent**” means the rent payable by the Tenant pursuant to Section 4.1.
- 1.6 “**Building**” means the Building or Buildings and all other fixed improvements situate at any time on the Premises, all of which bear the municipal address of **4600 - 112 Avenue S.E., Calgary, Alberta**.
- 1.7 “**Business Hours**” means the period from 8:00 a.m. to 4:30 p.m. or such other reasonable hours as the Landlord may from time to time specify by regulation on any Business Day and "Business Day" means any day which is not a Saturday or a Sunday or a statutory holiday in the Province of Alberta.
- 1.8 “**Capital Tax**” means any tax or taxes payable under any existing or proposed federal legislation based upon or computed by reference to the paid-up capital or place of business of the Landlord as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any municipal, legislative or parliamentary authority.

- 1.9 **“Default”** means failure to meet an obligation in the Lease, including, but not limited to a financial one.
- 1.10 **“Insured Damage”** means that part of any damage occurring to the Premises, of which the entire cost of repair (except as to any deductible amount provided for in the applicable policy or policies of insurance) is actually recovered by the Landlord under a policy or policies of insurance from time to time effected by the Landlord pursuant hereto or for which the Landlord is self-insured.
- 1.11 **“Landlord’s Taxes”** means the aggregate of: Taxes and Other Taxes.
- 1.12 **“Lands”** means the land municipally described as 4600 - 112 Avenue S.E., Calgary, Alberta, and legally described as Plan 0611776, Block 11, Lot 17, excepting thereout all mines and minerals. .
- 1.13 **“Lease”** means this Lease and any amendments, modifications or additions in writing hereto, and includes any schedules, appendices, riders and other documents, if any, attached hereto, or otherwise intended to form part of this Lease.
- 1.14 **“Leasehold Improvements”** means Work or improvements in, on, to, for or which serve the Premises, determined according to common law, and includes, without limitation, all fixtures (excluding Tenant’s Trade Fixtures), equipment and alterations from time to time made, constructed, erected, or installed by, for or on behalf of Tenant following the commencement of this Lease, whether or not easily disconnected or movable, including, without limitation, all: (a) partitions (excluding portable partitions), railings, doors and safes and vaults permanently affixed to the Premises; and hardware; (b) mechanical, plumbing, electrical, sprinkler, fire detection, safety, utility, computer, communication, telecommunication, satellite, heating, humidity, ventilating and air conditioning systems, facilities, installations, fixtures, devices, controls, pipes, wires, conduits, tanks, machinery, fittings and equipment; (c) carpeting, drapes and other floor, wall, ceiling and window coverings and drapery hardware; (d) light fixtures; (e) storefronts; (f) grill and other security or locking devices securing all or any part of the Premises; (g) counters, cabinets, shelves and built-in furniture and furnishings; (h) internal stairways, elevators and any other transportation equipment or systems; (i) ceilings and ceiling panels; (j) ceiling heaters (suspended or otherwise), and air-conditioning units, and all controls, fittings and equipment; (k) coolers, freezers, lockers, refrigerators, stoves, washing machines (including dishwashers), drying machines, kitchen and other types of equipment, appliances and ovens (including microwave ovens); (l) signs, exterior sign boxes, bands and the like; (m) any items that would not normally be considered to be Tenant’s Trade Fixtures; (n) satellite receivers, transmitters, antennas and base mounts; and (o) all items which cannot be removed without damage to the Premises, but which are not Tenant’s Trade Fixtures.
- 1.15 **“Operating Costs”** means the aggregate of all of the Landlord’s expenses, costs and charges, whatsoever, incurred in respect of the operation, maintenance and repair of the Premises by or on behalf of the Landlord, provided that Operating Costs shall not include: (a) debt service, including without limitation, refinancing costs, interest on debt or capital retirement of debt; (b) costs for which the Landlord is reimbursed by the proceeds of insurance; (c) costs recovered by the Landlord under a warranty; (d) income taxes in respect of income received from leasing the Premises; (e) capital cost allowance and depreciation; (f) costs for which the Landlord is responsible under this Lease; and (g) costs incurred as a result of the negligence or willful acts of the Landlord or of those for whom the Landlord is at law responsible and including, without limitation, costs incurred as a result of the breach by the Landlord of the terms of this Lease.
- 1.16 **“Other Taxes”** means all taxes, rates, duties, levies, fees, Charges and assessments whatsoever, including without limitation, local improvements, water, sewer rates, impost Charges or levies whether extraordinary, general or special, ordinary or extraordinary, foreseen or unforeseen, imposed, assessed, levied or Charged

now or in the future by any municipal, regional, provincial, federal, parliamentary or other government body, corporate authority, agency or commission against the Premises and/or the Landlord in connection therewith but excluding (unless specifically referred to above):

- such of the foregoing amounts as have been included in Taxes;
- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of any business carried on by the Tenant on the Premises; and
- Capital Tax.

1.17 **“Premises”** means the Building and Lands leased to the Tenant.

1.18 **“Rate of Interest”** means an interest rate of prime plus six (6%) percent per annum, payable both prior to and following judgment, as applicable.

1.19 **“Rent”** means Basic Rent and Additional Rent.

1.20 **“Rentable Area”, “Gross Rentable Area” and “Net Rentable Area”** of the Premises means the number of square feet of floor area determined by an architect, surveyor or other Building measuring professional based on the “Standard Methods for Measuring Floor Area in Industrial Buildings” (BOMA/SIOR 2004). A certificate as to area from the Landlord's measuring professional shall be conclusive and binding on the parties. For the purpose of this Lease, the Rentable Area is: **Eighteen Thousand Six Hundred (18,600) Square Feet**. Notwithstanding the foregoing, the parties agree that after the first six (6) months of the Term, should the Tenant not require the office portion of the Premises, they will, acting reasonably, work together to amend this definition of the Rentable Area to their mutual satisfaction;

1.21 **“Rental Year”** means a period of time, the first Rental Year commencing on the first day of \_\_\_\_\_ 2020 and ending on the last day of the month of \_\_\_\_\_ immediately following. Each Rental Year thereafter shall consist of consecutive periods of twelve (12) calendar months, but the last Rental Year of the Term, whether or not it is twelve (12) calendar months, shall terminate on the expiration or earlier termination of this Lease. If however, the Landlord considers it necessary or convenient for the Landlord's purposes, the Landlord may at any time and from time to time by written notice to the Tenant, specify a date from which each subsequent Rental Year is to commence, and in such event the then current Rental Year shall terminate on the day immediately preceding the commencement of such new Rental Year, and the appropriate adjustments shall be made between the parties.

1.22 **“Sales Taxes”** means all business transfers, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada or any provincial or local government upon the Landlord, or the Tenant or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

1.23 **“Taxes”** means all taxes, rates, duties, levies, fees, Charges, sewer levies, local improvement rates, and assessments whatsoever, imposed, assessed, levied or charged now or in the future by any school, municipal regional, provincial, federal, parliamentary or other governmental body, corporate authority, agency or

commission (including, without limitation, school boards and utility commissions), against the Premises and/or the Landlord in connection therewith, but excluding (unless specifically referred to above):

- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of the business of the Landlord which pertains to the operation, maintenance and repair of the Premises; and
- business or similar taxes or license fees in respect of the business carried on by the Tenant on the Premises; and
- Capital Tax.

1.24 **“Tenant's Taxes”** means the aggregate of:

- all taxes imposed upon the Tenant which are attributable to the Premises, furnishings, fixtures and Leasehold Improvements installed in the Premises by or on behalf of the Tenant during the Term; and
- all taxes imposed upon the Tenant which are attributable to the business, income or occupancy of the Premises by Tenant.

1.25 **“Term”** means the term of this Lease as specified in section 3.3 herein.

1.26 **“Trade Fixtures”** means trade fixtures as determined at common law and includes the personal chattels installed at the commencement of the Term, or during the Term by or on behalf of Tenant, in, on, or which serve, the Premises, for the sole purpose of Tenant carrying on its trade in the Premises and, for greater certainty, expressly include all assets, fixed or otherwise (including paint booths) owned or acquired by the Tenant in connection with the transactions contemplated by the Purchase Agreement, and which Trade Fixtures the Tenant shall be permitted to remove only to the extent permitted by the terms of this Lease, but Trade Fixtures do not include Leasehold Improvements of the Tenant.

1.27 **“Work”** means making, erecting, altering or installing any Leasehold Improvements, alterations or installations on or to the Premises.

## **ARTICLE 2 -GENERAL**

### **2.1 Tenant's Covenants**

The Tenant covenants with the Landlord:

- (a) to pay Rent; and
- (b) to observe and perform all the covenants and obligations of the Tenant herein.

### **2.2 Landlord's Covenants**

The Landlord covenants with the Tenant:

- (a) for quiet enjoyment; and

- (b) provided the Tenant pays the Rent and observes and performs all of its covenants and obligations herein, to observe and perform all the covenants and obligations of the Landlord herein.

### 2.3 Deemed Covenants

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

## ARTICLE 3-DEMISE AND TERM

### 3.1 Demise of Premises

The Landlord, being registered owner of the Lands, does hereby demise and lease unto the Tenant and the Tenant hereby lease from the Landlord, the Premises for the Term and subject to the provisions and covenants set forth in this Lease which the Landlord and the Tenant each agree with the other to observe and perform as the same may be applicable to each of them respectively.

### 3.2 Term

- (a) To have and to hold the Premises for and during the Term, unless sooner terminated pursuant to the provisions of this Lease, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 and ending on the \_\_\_ day of \_\_\_\_\_, 2030.
- (b) Provided that the Tenant is not in default of this Lease at the time it provides the Renewal Notice (as defined in this Section to the Landlord, the Tenant shall have the option to renew the term of this Lease for Two (2) additional periods of Five (5) years each (each a "**Renewal Period**") upon the same terms and conditions as herein provided, except as to Basic Rent (the "**Renewal Option**"). The Minimum Annual (Basic) Rent for a Renewal Period shall be the then fair market rent for the Premises as agreed upon by the parties, failing which, the dispute resolution provisions of Section 16 shall apply. Such Renewal Option is to be exercised by the Tenant by giving written notice (the "**Renewal Notice**") to the Landlord not later than six (6) months prior to the expiration of the Term, otherwise this option is null and void.
- (c) The Tenant, in consideration of and subject to the terms of this Lease, is hereby granted the exclusive right, option and privilege of purchasing the Premises at any time for a period of Three (3) Years commencing on the second anniversary of the Closing Date (as therein defined) of the share purchase agreement (the "**Purchase Agreement**") among CMD Holdings Ltd., Christos Stathonikos Family Trust, David Stretz Family Trust, Matthew Stathonikos Family Trust, Domna Investments Inc., 1427916 Alberta Inc., 1427913 Alberta Inc. and 2270683 Alberta Ltd. (the "**Purchase Option**"). The Tenant shall notify the Landlord in writing of its intention to exercise the Purchase Option at least two (2) months prior to any intended purchase date.
- (d) The purchase price to be paid by the Tenant for the purchase of the Premises pursuant to this Lease and the Purchase Option shall be established through mutually acceptable appraisals from an independent qualified appraiser.
- (e) The Purchase Option granted herein shall extend to the original Tenant named herein or its nominee only and may not be assigned or transferred without the express consent of the Landlord in writing, which consent may be withheld for any reason whatsoever.

### 3.3 Overholding

The Tenant shall surrender possession of the Premises immediately upon the expiration or earlier termination of the Lease. If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord and without any further written agreement, or without the consent of the Landlord, there shall be no tacit renewal or extension of this Lease and, despite any statutory provision or legal presumption to the contrary, the Tenant shall be deemed conclusively to be occupying the Premises as a monthly tenant at will if the Landlord did consent to the Tenant remaining in possession, or as a tenant at will if the Landlord did not consent to the Tenant remaining in possession, in either case on the same terms as set forth in the Lease as far as such terms would be applicable to a monthly tenancy, and except for any right of renewal, at a monthly Basic Rent payable in advance and equal to one and a half (1.5) times the monthly Basic Rent payable immediately prior to the overholding plus additional rent equivalent to Additional Rent hereunder. The Tenant shall promptly indemnify and hold harmless the Landlord from and against any and all claims incurred by the Landlord as a result of the Tenant remaining in possession of all or any part of the Premises after the expiry of the Term. The Tenant shall not make any counterclaim in any summary or other proceeding based on such overholding by the Tenant. If, for whatever reason, a monthly tenancy at will is in effect, the Tenant shall provide a minimum of thirty (30) days written notice to the Landlord expressing its intent to terminate this Lease and vacate the Premises.

### 3.4 Leasehold Improvements

- (a) Subject to subsections (b) and (c), upon the expiration or other termination of this Lease, all Leasehold Improvements in the Premises, including all fixed partitions (including floor to ceiling partitions) which, although demountable, involve attachment to any floor, ceiling or permanent wall such that they cannot be removed without damage to the Premises, but expressly excluding the Tenants movable partitions such as free standing partitions or partial height partitions which can be removed without damage to the Premises and which shall be deemed to be removable Trade Fixtures, shall remain upon and be surrendered with the Premises as a part thereof without disturbance, molestation or injury and the same and any Trade Fixtures not removed by the Tenant are the Premises of the Landlord absolutely, free of any liens or encumbrances and without payment therefor to the Tenant.
- (b) The Landlord may, by notice to the Tenant prior to or promptly after the expiration or other termination of this Lease, reasonably require the removal forthwith, at the expense of the Tenant of any or all of the Tenant's Trade Fixtures and Leasehold Improvements and the repair forthwith of any damage to the Premises caused by such removal, such work to be done forthwith by or at the direction of the Landlord and at the expense of the Tenant.
- (c) Notwithstanding anything herein contained, provided the Tenant has paid the Rent hereby reserved and performed and observed all the covenants and conditions herein contained, the Tenant shall have, at the expiration or other termination of this Lease, the right to remove its Trade Fixtures, provided that the Tenant repairs by the expiration or other termination of this, at its own expense, any damage to the Premises caused by such removal.

## ARTICLE 4 -RENT

### 4.1 Basic Rent

During the Term of the Lease, the Tenant shall pay to the Landlord, without any prior demand therefore yearly and throughout the Term a fixed annual rent, exclusive of GST or any other like tax applicable, payable in



Canadian Dollars, in equal monthly installments in advance without demand, on the first day of each month during the Term as follows:

<u>TERM</u>	<u>RATE (per sq. ft.)</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>
***, 2020 to ***, 2023	\$14.75	\$274,350.00	\$21,000.00
***, 2023 to ***, 2024	\$15.08	\$280,488.00	\$23,374.00
***, 2024 to ***, 2025	\$15.41	\$286,626.00	\$23,885.50
***, 2025 to ***, 2030	\$15.75	\$292,950.00	\$24,412.50

Payments for partial months will be prorated.

#### 4.2 **Additional Rent**

The Tenant shall pay to the Landlord, during the Term, when due, as Additional Rent, to the extent actually provided by or on behalf of the Landlord to the Tenant or in respect of the Premises during the Term and without duplication, the following:

- (a) supplies and materials used in the operation, maintenance and security of the Premises;
- (b) amounts respecting all maintenance, landscaping and similar services for the Premises and the associated equipment therein or thereon, including, without limitation, alarm service, window cleaning and security;
- (c) amounts respecting all insurance required by this Lease to be carried by the Landlord relating to the Premises;
- (d) amounts respecting all utilities for the Premises, including the cost of water, power, heating, lighting, air-conditioning and ventilating and all other utilities for the Premises and including the cost and charges for water, sewer and other utility hook-up, connection and service and garbage and waste collection, removal or recycling;
- (e) reasonable fees, costs and disbursements of the Landlord's professional consultants incurred in connection with the obligations of the Landlord as required by the terms of this Lease;
- (f) depreciation of the cost of the following capital investment items, amortized over the reasonable life of the capital investment items (determined in accordance with generally accepted accounting principles and in no event to extend beyond the reasonable depreciable life of the Premises) incurred with respect to:
  - (A) any capital investment items which are primarily for the purpose of reducing operating costs for the Tenant or which may be required by governmental authority; in the case of any capital investment items for the purpose of reducing Operating Costs, the Landlord shall provide a cost benefit justification for its practicality; and
  - (B) all other fixtures, equipment and facilities servicing or comprising the Premises (including the heating, ventilating and air-conditioning and climate control system servicing the Premises) which by their nature require periodic or substantial repair or replacement, including the repair and replacement thereof, unless they are fully charged in the year in which they are incurred and are fully included in Operating Costs for that year; and

- (g) the following taxes which relate to the Premises:
  - (i) all Tenant's Taxes;
  - (ii) that portion of Taxes payable by the Tenant pursuant to Section 5.2;
- (h) Operating Costs pursuant to Section 6.1;
- (i) all Additional Service Costs or fees payable by the Tenant, if and to the extent applicable; and
- (j) all other amounts payable by the Tenant pursuant to this Lease.

#### 4.3 **Payment of Additional Rent**

- (a) The Additional Rent specified in above shall be paid and adjusted with reference to a fiscal period of twelve (12) calendar months, which shall be the twelve (12) month period ending on December 31<sup>st</sup> in each year during the Term unless the Landlord, by notice to the Tenant, shall from time to time have selected a fiscal period which ends on a different date (but which shall be a twelve (12) month period except where a shorter broken fiscal period occurs at the commencement or end of the Term or is necessary to accommodate a change in the fiscal period made during the Term). From time to time throughout the Term, no later than ninety (90) days prior to the next fiscal period, the Landlord shall give notice to the Tenant of the Landlord's estimate of such Additional Rent to be paid by the Tenant during the next ensuing fiscal period. This estimate will be based in part on the Operating Costs, Taxes and Additional Service Cost expenses for the preceding year modified by any known decrease or increase. Such Additional Rent payable by the Tenant shall be paid in equal monthly installments in advance at the same time as payment of Basic Rent is due hereunder and shall be based on the Landlord's estimate as aforesaid.
- (b) The Tenant shall pay all Additional Service Costs or expenses within ten (10) days after receipt by it from time to time of invoices from the Landlord specifying the amounts thereof.

#### 4.4 **Adjustment of Additional Rent**

- (a) After the end of each fiscal period referred to in Section 4.3, the Landlord shall deliver to the Tenant a statement of the Landlord as to the actual Additional Rent payable to the Landlord pursuant to Subsections 4.2(b) and 4.2(c) in respect of such fiscal period just terminated and a calculation of the amount by which such Additional Rent payable by the Tenant varies from the aggregate installments paid by the Tenant on account of such Additional Rent for such fiscal period. Within thirty (30) days after the receipt of such statement, either the Tenant shall pay to the Landlord any amount by which the amount found payable by the Tenant with respect to such fiscal period exceeds the aggregate of the monthly payments made by it on account thereof or the Landlord shall pay to the Tenant any amount by which the amount found payable as aforesaid is less than the aggregate of such monthly payments.
- (b) The Tenant shall have the right, exercisable by notice to the Landlord given within thirty (30) days after receipt of any statement of such Additional Rent submitted by the Landlord as aforesaid, to verify or audit (at the Tenant's sole expense) the accuracy of any amount shown on any statement, upon five (5) days prior notice to the Landlord, by inspecting the records and accounts of the Landlord pertaining to such Additional Rent statement. The Landlord shall provide electronic copies of the foregoing to facilitate the review of same by the Tenant as the Tenant may reasonably request, provided that in no event shall any such planned inspection permit the Tenant to delay payment of such Additional Rent as required by this Section 4.4.

#### 4.5 **Apportionment of Rent**

Rent shall be considered as accruing from day to day hereunder. If it is necessary to calculate Rent for a period of less than one year or less than one calendar month, an appropriate apportionment and adjustment on a pro rata daily basis shall be made. Where the calculation of Additional Rent cannot be made until after the expiration or earlier termination of this Lease, the obligation of the Tenant to pay such Additional Rent or the obligation of the Landlord to reimburse any overpayment of Additional Rent paid by the Tenant, as applicable, shall survive the expiration or earlier termination hereof and such amount shall be paid by the applicable party forthwith upon demand. If the Term commences on any day other than the first day of the month, Rent for such fraction of a month shall be adjusted, as aforesaid, and paid by the Tenant on the commencement date of the Term.

#### 4.6 **Additional Rent Deemed**

All Additional Rent shall be deemed to be Rent and the Landlord shall have all rights against the Tenant for Default in payment of Additional Rent as for Default in the payment of Basic Rent.

#### 4.7 **Arrears**

- (a) If, at any time during the Term, the Landlord accepts payment(s) from the Tenant that is less than the full amount owing to the Landlord, such acceptance by the Landlord will not be considered to forgive the Tenant of its obligation to pay the remainder of the amount owing.
- (b) If the Tenant fails to pay Rent or any other payment due to the Landlord under the terms of the Lease when due, the Tenant shall pay interest on the unpaid amount at the Rate of Interest from the date due until the date paid, both before and after default, demand and judgment, all without prejudice to and in addition to any other right or remedy of the Landlord under this Lease or at law.

#### 4.8 **Net Lease to Landlord**

This Lease and the Rent payable hereunder shall be absolutely net to the Landlord, except as expressly provided herein. For certainty, the Tenant shall pay all costs, charges and expenses related to the Premises during the Term except as expressly set out herein.

#### 4.9 **N.S.F. Cheques**

For each and every cheque written payable to the Landlord from the Tenant which cannot be cashed because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, and, for each and every Tenant Bank Account Debit which cannot be processed by the bank because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, the Tenant will be liable for and will be invoiced for a thirty (\$30.00) dollar penalty. This penalty will be payable immediately upon receipt of the invoice by the Tenant.

### **ARTICLE 5 - TAXES**

#### 5.1 **Tenant's Taxes and Sales Taxes**

The Tenant shall pay when due to the taxing authority or authorities having jurisdiction, all Tenant's Taxes. All financial components of this Lease are subject to goods and services tax (G.S.T.) unless specifically identified to the contrary.

## **5.2 Tenant's Contribution to Taxes**

The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the Taxes that are fairly attributable to the Premises for such calendar year, such amount to be determined by the Landlord acting reasonably. If there are separate assessments (or, in lieu thereof, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the occupation and operation of the Premises for tax purposes, the Landlord shall have regard thereto for purposes of determining the amount payable by the Tenant hereunder.

- (a) The Tenant shall provide the Landlord with a copy of any separate notices of assessment for the Premises which the Tenant has received.
- (b) The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the taxes imposed on the Landlord, if any, which are attributable to Premises, furnishings, fixtures or Leasehold Improvements installed within the Premises.
- (c) Payment by the Tenant of all amounts on account of Taxes shall be governed by Sections 4.3 and 4.4.

## **ARTICLE 6 -SERVICES**

### **6.1 Tenant's Contribution to Operating Costs**

- (a) The Tenant shall throughout the Term, pay to the Landlord an amount equal to Operating Costs incurred by the Landlord in accordance with the terms hereof.
- (b) Payment by the Tenant of all amounts on account of the Operating Costs shall be governed by Sections 4.3 and 4.4.
- (c) Notwithstanding the foregoing, the Landlord and the Tenant agree that it is mutually advantageous for the Tenant to contract for and pay directly as many of the costs required for the occupation of the Premises and operation of its business therein during the Term. The Tenant shall reimburse the Landlord for the Operating Costs directly incurred and paid by the Landlord. Save and except as contemplated or authorized by the provisions of this Lease, the Landlord shall not bill the Tenant for Operating Costs that it is incurring directly without the consent of the Tenant, such consent not to be unreasonably withheld.
- (d) Upon the request of the Landlord, the Tenant shall promptly deliver to the Landlord for inspection, receipt for payment of all such costs paid directly by the Tenant. Upon request of the Tenant, the Landlord shall promptly deliver to the Tenant for inspection receipt for payment of all Operating Costs paid directly by the Landlord.

### **6.2 Additional Service Fee**

If the Tenant requests, and the Landlord agrees, to perform a job or service above and beyond any required by the Lease, the Tenant shall pay to the Landlord, within ten (10) days after receipt of the Landlord's invoice, the Landlord's out-of-pocket Costs incurred in providing the job or service, including a fee for associated labour

and together with a coordination and supervision fee equal to fifteen (15%) percent of the Landlord's Costs for such Additional Service (plus applicable taxes thereon).

### **6.3 Electricity and Other Utilities**

- (a) The Charges for electricity and other utilities used in the Premises shall be determined by the utility service provider where separately metered or by the Landlord or its Agent using a reasonable method of calculation which has been communicated to the Tenant.
- (b) The Tenant shall replace, as and when required, all electric light bulbs, fluorescent tubes and ballasts in the Premises and provide the necessary maintenance and repair of emergency lighting systems, as well as of fluorescent and other standard building lighting fixtures located in the Premises during the Term.
- (c) The Tenant shall pay all charges for electricity and other utilities provided to the Premises. If, and whenever one or more than one utility service to the Premises is separately metered, the Tenant shall notify the appropriate utility service providers in advance and initiate direct billing for these same separately metered services to their Premises in their name and business address to commence on the Tenant's first day of occupancy in the Premises.

## **ARTICLE 7 -USE AND OCCUPANCY OF PREMISES**

### **7.1 Nature of Tenant's Business**

The Tenant hereby states and agrees that the nature of the Tenant's business is best described as that of autobody repair and ancillary services.

### **7.2 Use of Premises**

- (a) The Tenant shall, in good faith, continuously, actively and diligently use the Premises solely for the purposes of autobody repair and ancillary services and loading and unloading vehicles, directly related to the Tenant's business. The Tenant shall not use or suffer the use of the Premises or any part thereof for any other business or purpose without the prior written approval of the Landlord. It is the Tenant's sole responsibility to apply for, obtain and pay for an Occupancy Permit and/or Business License (whatever is required by the City of Calgary) so that it is in effect at all times during the Term that the Tenant is using the Premises for the purposes allowed for herein. Any risk of not receiving the required permit(s) for the Tenant's requested use of the Premises from the City of Calgary shall be accepted solely by the Tenant and under no circumstance shall the Tenant be relieved of its obligations under the Lease in connection with the foregoing requirement.
- (b) Any change of use for the Premises during the Term shall require the prior written approval of the Landlord. If any change of use requested by the Tenant and approved by the Landlord requires a Change of Use application by the City of Calgary, or the re-issue of an Occupancy Permit by the City of Calgary, same shall be acquired by and be at the sole cost and expense of the Tenant, within a reasonable period of time. A copy of all final documentation from the City of Calgary regarding the use or occupancy of the Premises shall be forwarded forthwith to the Landlord. A breach by the Tenant of any of the provisions of this paragraph shall constitute an event of Default allowing the Landlord to immediately terminate the Lease and pursue any remedies it may have against the Tenant in law or in equity.

### **7.3 Waste and Nuisance**

The Tenant shall not initiate (intentionally or otherwise), use, exercise or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noise, or noxious, noisome or offensive art, trade, business, occupation or calling, and no act, thing or matter whatsoever shall, at any time during the continuance of this Lease, be done or not done upon the Premises or any part thereof (including, without limitation, noxious odors emanating or escaping from the Premises) which shall or may be or grow to the annoyance, nuisance, grievance or cause damage to the Landlord or and upon direction of the Landlord, the Tenant shall forthwith, at the Tenant's expense, remedy any situation resulting in a breach of this provision.

### **7.4 No Overloading of Floors, Services**

The Tenant shall not permit or allow any overloading of the floors of the Premises or the bringing into any part of the Premises of any articles or fixtures that by reason of their weight or size might damage or endanger the structure of the Premises or the Building. The Tenant shall not install or permit the installation of, any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Premises and the Tenant will not bring into the Premises or install any new utility, electrical or mechanical facility which Landlord has not first approved in writing.

### **7.5 Insurance Cancellation or Cost Increase**

- (a) The Tenant shall not do or omit to do or permit to be done or omitted to be done in the Premises anything which would cause any policy of insurance on the Premises to be subject to cancellation or non-renewal or which would cause a material increase in the cost of any insurance which the Landlord is obligated by this Lease to maintain. Upon any act or omission by the Tenant or any person for whom it is at law responsible which would result in cancellation or non-renewal in respect of such insurance which the Tenant does not promptly pay upon written demand, the Landlord may, at its option, terminate this Lease on ten (10) days' further written notice to the Tenant. The Tenant shall pay to the Landlord, forthwith upon demand, the amount of any such increase in cost of insurance caused by any act or omission of the Tenant in respect of the Premises.
- (b) If any insurance policy is cancelled or threatened by the insurer to be cancelled or the coverage thereunder is altered in any way because of the use of the Premises by the Tenant or by any person for whom the Tenant is in law responsible, and if the Tenant fails to remedy the condition giving rise to the cancellation, threatened cancellation or material alteration in coverage within five (5) business days after notice thereof is given to the Tenant (or such lesser period as the Landlord acting reasonably may determine, having regard to the urgency of the situation), the Landlord may, (but shall not be obligated to), without further notice or any liability to the Tenant or any other occupant of the Premises, enter the Premises and attempt to remedy such condition or obtain or attempt to obtain insurance coverage in replacement of the coverage cancelled, threatened to be cancelled or altered in coverage; and the Tenant shall pay to the Landlord, forthwith upon demand, the increased cost thereof of the insurance which the Landlord is obligated under this Lease to maintain.

### **7.6 Observance of Law by Landlord and Tenant**

- (a) The Landlord shall, at its expense (unless the expense is included in Operating Costs), promptly comply with and conform to the requirements of every applicable statute, law, bylaw, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Premises other than as to those matters which are the obligation of the Tenant as provided in subsection (b) or the obligation of any other tenant.

- (b) The Tenant shall, at its expense, observe and promptly comply with and conform to, including such modifications, alterations or changes to the Premises as may therefore be necessary, the requirements of every applicable statute, law, bylaw, regulation, ordinance, police, security, energy conservation, fire, health and sanitary directive, requirement and order at any time or from time to time in force during the Term affecting the Tenant's use of the Premises or any part thereof and/or the business carried on therein and/or the Leasehold Improvements, Trade Fixtures, furniture, machinery, equipment and other facilities located in the Premises affected by the Tenant's actions in the Premises.

## 7.7 Hazardous Substances

- (a) The term "**Hazardous Substances**" as used in this Lease shall include, without limitation, flammables, explosives, radioactive materials, asbestos, radon, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority.
- (b) The Tenant shall not cause or permit to occur during the Term:
  - (i) any violation of any federal, provincial, or local law, ordinance; or regulation now or hereafter enacted, related to environmental conditions, on, under, or about the Premises, or arising from the Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or
  - (ii) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except in accordance with applicable laws and regulations.
- (c) Environmental Clean-up
  - (i) The Tenant shall, at the Tenant's expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances (the "**Environmental Laws**");
  - (ii) The Tenant shall, at the Tenant's sole expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "**Authorities**") under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease;
  - (iii) Should any of the relevant Authorities or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, then the Tenant shall, at the Tenant's expense, prepare and submit the required plans and all related bonds and other financial assurances; and the Tenant shall carry out all such clean-up plans;
  - (iv) The Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is reasonably requested by the

Landlord. If the Tenant fails to fulfill any duty imposed under this Section 7.7 within a reasonable time, the Landlord may do so; and in such case, the Tenant shall cooperate with the Landlord in order to prepare all documents the Landlord deems necessary or appropriate to determine the applicability of the Laws to the Premises and the Tenant's use thereof, and for compliance therewith, and the Tenant shall execute all documents promptly upon the Landlord's request. No such action by the Landlord and no attempt made by the Landlord to mitigate damages under any Law shall constitute a waiver of any of the Tenant's obligations under this Subsection 7.7(c) hereof; and

- (v) The Tenant's obligations and liabilities under this Subsection 7.7(c) hereof shall survive the expiration of this Lease.
- (d) Tenant's Indemnity
- (i) The Tenant shall indemnify, defend, and hold harmless the Landlord and its officers, directors, beneficiaries, shareholders, partners, Agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including reasonable solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the Term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, or from the Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease.
  - (ii) The Tenant's obligations and liabilities under Subsection 7.7(d) hereof shall survive the expiration or earlier termination of this Lease.
- (e) Landlord's Indemnity
- (i) The Landlord shall indemnify, defend, and hold harmless the Tenant, and its officers, directors, beneficiaries, shareholders, partners, agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including actual solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs or is attributable to a period prior to the Term of this Lease which arises from the Landlord's or any other tenant's use or occupancy, at or from the Premises, or from the Landlord's or any other tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to a period prior to the commencement of the Term of this Lease.
  - (ii) The Landlord's obligations and liabilities under Subsection 7.7(e) hereof shall survive the expiration or earlier termination of this Lease.

## 7.8 Signs

The Tenant shall not, without the Landlord's prior written approval, not to be unreasonably withheld, affix, inscribe, paint nor cause to be affixed, inscribed or painted on any of the windows of the demised Premises, or on any part of the exterior of the Building any sign, advertisement or notice, unless such sign, advertisement or notice shall be of such color, size and style and placed in such places as shall be first designated by the Landlord,



and subsequent to such written approval of the Landlord, the Tenant may use any Landlord approved sign contractor at the Tenant's sole cost and expense; and provided that the Tenant on ceasing to be the Tenant of the Premises will, before vacating the Premises, cause any sign, advertisement or notice as aforesaid described to be removed at its own expense in a good and workmanlike manner and shall repair any damage to the Premises caused by any such removal or pay the cost of such repair to the Landlord. In the event any sign, advertisement or notice shall be affixed or exposed without consent of the Landlord then the Landlord at the expense of the Tenant shall be at liberty to remove or obliterate such sign, advertisement or notice and for such purpose if reasonably necessary the Landlord by its servants or agents may enter upon the demised Premises. The Tenant will indemnify and save harmless the Landlord from any and all claims for damages which may result to any person or Premises as a result of the existence of the said signs or any of them -except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

#### **7.9 Keys to Premises and Building Access Cards**

- (a) The Landlord shall provide the Tenant with two (2) keys for each entrance to the Premises at no charge. The Tenant may have additional keys made as required by the Tenant, at the Tenant's sole cost. If the Tenant chooses to re-key one or more locks on their entrance door(s) they may do so at their Cost as long as they promptly provide the Landlord with a working duplicate of each key.
- (b) If the Tenant's Premises is located in a Building controlled by access cards, two (2) cards will be provided to the Tenant at no charge and new or additional cards will be provided to the Tenant at its request, with reasonable notice to the Landlord, and the Tenant will be charged twenty-five (\$25.00) dollars for each card requested.
- (c) All keys and access cards (if applicable) shall be returned to the Landlord upon vacating the Premises at the expiration or earlier termination of the Lease.

#### **7.10 Satellite Signal, Wireless Internet and Data Communication Hardware**

The Tenant shall be permitted to install, or have installed, at its own expense, any equipment, apparatus or hardware required to receive or transmit a satellite signal or wireless internet and data communication ("**Hardware**") on any part of the exterior of the Building.

- (i) Upon lease expiry or termination, at the sole discretion of the Landlord, and at the sole expense of the Tenant, all Hardware shall be expediently removed and the Tenant shall make good, to the satisfaction of the Landlord, any and all damage or alterations caused by the installation or removal of the Hardware to the Premises and/or to the Building. Failure to expediently remove Hardware and make good damage or alterations may, at the sole discretion of the Landlord, result in the withholding of Security Deposit funds

### **ARTICLE 8 -ALTERATIONS**

#### **8.1 Alterations by Tenant**

- (a) The Tenant shall not, without the prior consent of the Landlord, initiate or undertake any Work in or on the Premises.
- (b) If the Tenant wishes to do any Work, the Tenant shall apply for the Landlord's consent and furnish such plans, specifications and designs as shall be necessary to fully describe the Work. The Landlord's consent thereto shall not be unreasonably withheld or delayed.

- (c) Subject to the Landlord's consent having been obtained and the Landlord's reasonable requirements (including the posting of reasonable security, if reasonably requested) being met, the Landlord recognizes the right of the Tenant to install such interior partitions and other Leasehold Improvements as are necessary or appropriate to its use and occupancy of the Premises.
- (d) Any Work shall be performed by contractors retained by the Tenant and approved by the Landlord (such approval not to be unreasonably withheld, conditioned or delayed). The Landlord shall have the right to inspect such Work and require any Work not being properly done to be corrected, and to approve on a reasonable basis the contractors, tradesmen or the Tenant's own employees (as the case may be) employed by the Tenant in connection therewith.
- (e) The Tenant shall pay to the Landlord, within ten (10) days after the receipt of the Landlord's invoice, the Landlord's reasonable out-of-pocket costs incurred in examining and approving the Tenant's plans, specifications and designs and in inspecting the Work.
- (f) The Tenant shall provide to the Landlord a complete set of updated, as-built drawings of the Premises including, without limitation, all electrical, mechanical and architectural drawings if reasonably required by the Landlord.

## **8.2 Fire Alarm and Sprinkler Systems**

The Tenant agrees that if it does any Work, or has any Work done on either new or existing Leasehold Improvements either prior to or during the Term, or use or store any potentially flammable materials that in any way affects or may affect the intended legal operation of integral Building systems including, without limitation, fire alarm systems and/or fire sprinkler systems the following conditions will subsequently apply:

- (a) The affected system(s) shall be expediently verified correct in every respect and proven legally operational by an appropriate professional, immediately followed with certification by the appropriate City Inspector.
- (b) A copy of the professional's certification shall be delivered to the Landlord within ten (10) days of receipt by the Tenant.
- (c) All costs associated with having affected Building systems certified or inspected in accordance with the foregoing will be borne solely by the Tenant.
- (d) All costs associated with rectifying any deficiencies and all subsequent inspection report failures will be borne solely by the Tenant, except to the extent caused by or as a result of the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

## **8.3 No Lien on the Premises**

The Tenant shall not create any lien, mortgage, charge, conditional sale agreement or other encumbrance in respect of any Leasehold Improvements or, without the consent of the Landlord, with respect to its Trade Fixtures; nor shall the Tenant take any action as a consequence of which any such prohibited lien, mortgage, Charge, conditional sale agreement or other encumbrance would attach to the Premises

## **8.4 Liens**

- (a) In connection with the making, erection, installation or alteration of Leasehold Improvements and Trade Fixtures and all other work or installations or alterations made by or for the Tenant in the Premises, the Tenant shall comply with every applicable statute, law, bylaw, regulation, ordinance and order affecting the same and affecting the Premises as a result of the actions of the Tenant including, without limitation, the *Builders' Lien Act* (Alberta), and any other statutes from time to time applicable thereto (including any provision requiring or enabling the retention by way of holdback of portions of any sums payable) and, except as to any such holdback, shall promptly pay all accounts relating thereto.
- (b) Whenever any builder's lien or other lien for work, labor, services or materials supplied to or for the Tenant and for which the Tenant is liable for the cost or for the -cost of which the Tenant may be in any way liable or claims therefor shall arise or be filed or any prohibited mortgage, charge, conditional sale agreement or other encumbrance shall attach, the Tenant shall within twenty (20) days after receipt of notice thereof commence to and diligently pursue procurement and registration of the discharge thereof, including any certificate of lis pendens registered in respect of any lien, by payment or in such other manner as may be required or permitted by law, and failing which the Landlord may make any payments required to procure and register the discharge of any such liens or encumbrances, including any certificate of lis pendens registered in respect of any lien, and shall be entitled to be reimbursed by the Tenant as provided in Section 15.3, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement set-off or defence.

## **ARTICLE 9 -REPAIRS**

### **9.1 Landlord's Repairs**

Subject to Section 9.5 and except as provided in Section 9.2, the Landlord shall be responsible for the following repairs, maintenance and, as may reasonably be required, replacement:

- (a) the Building including all the external and structural parts of the Building but excluding any parts thereof (except as specified in subsection (b) hereof) which comprise the whole or a part of the Premises;
- (b) repairs to the Building or the Premises of a capital nature;
- (c) replacement and non-routine repair of the boilers, pipes and other apparatus used for the purpose of heating or air conditioning the Premises and water pipes, drainage pipes, electrical systems and lighting;
- (d) replacement and repair of the roof and roof membrane; and
- (e) Insured Damage.

For certainty, the Landlord shall not be responsible for any repair, maintenance or replacement to the extent that the need for same is caused by the willful misconduct or negligence of the Tenant or those for whom the Tenant is at law responsible.

### **9.2 Tenant's Repairs**

- (a) Subject to Section 9.5, the Tenant shall, at its expense and throughout the Term, keep the Premises and its Leasehold Improvements and Trade Fixtures therein in good condition and repair having regard to

the permitted use of the Premises and the condition of the Premises as at the commencement of this Lease. In particular, the Tenant shall:

- (i) undertake routine maintenance and repair of the heating, ventilation and air-condition apparatus of the Building including the plumbing, sprinkler, drainage and electrical systems, or any part thereof, consistent with past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably; and
- (ii) be responsible for the cost of repairing any heating, ventilation, air conditioning apparatus and other mechanical systems of the Building including the plumbing, sprinkler, drainage and electrical systems, or any part thereof, to the extent the need for same is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.

The applicable maintenance schedule and standards for such maintenance and repair obligations as set forth in this Section 9.2(a) shall be determined and agreed by and between the Landlord and the Tenant, each acting reasonably and having regard for the past practice of the Landlord and including, without limitation, the condition as at the commencement of this Lease of the applicable portions and systems comprising the Premises.

- (b) For certainty, the Tenant shall not be responsible for Insured Damage, repairs which the Landlord is otherwise obliged to repair pursuant to the terms of this Lease, or any repair or replacement the need for same is caused by the willful misconduct or negligence of the Landlord or those for whom the Landlord is at law responsible.
- (c) The Tenant shall also make good any damage to the Premises caused by the Tenant or those for whom it is in law responsible and which is not Insured Damage. All repairs by the Tenant shall be subject to Section 8.1.

### **9.3 Entry by Landlord to View State of Repair**

The Landlord shall be entitled, at any time upon reasonable prior notice to the Tenant (not less than twenty-four (24) hours) and from time to time, to enter and view the state of repair of the Premises. The Tenant shall repair, only as specified in Sections 8.1 and 9.2.

### **9.4 Notice of Defects**

The Tenant shall give to the Landlord prompt notice of any defect in the Building or Premises of which it becomes aware, including plumbing or utility systems and equipment or any other part thereof howsoever caused; provided that nothing herein shall be construed so as to require repairs to be made by the Landlord, except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible and except as otherwise expressly provided in this Lease.

### **9.5 Tenant to Leave Premises in Good Repair**

The Tenant shall leave the Premises and (subject to Section 3.5) the Leasehold Improvements, at the expiration or earlier termination of the Lease, in the condition and repair as required of the Tenant under Section 9.2(a).

### **9.6 Termination or Abatement after Damage**

If and whenever the Premises is destroyed or damaged by any cause to the extent that, in the Landlord's reasonable opinion to be given in writing to the Tenant within sixty (60) days after the occurrence of such damage or destruction, they are unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage, then either the Landlord or the Tenant may terminate this Lease by notice to the other, to be given within thirty (30) days after the giving of the Landlord's written opinion above referred to, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord and Rent shall be apportioned to the date of such destruction or damage (subject to the payment of Rent from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises is fit for occupancy by the Tenant until such surrender is of the total Net Rentable Area of the Premises). For certainty, any decisions regarding the extent to which the Premises has become unfit for use shall be made by a third party architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties hereto.

### **9.7 Tenant Terminates**

If Tenant exercises its right to terminate this Lease under this Clause, Tenant shall make available (or pay over) to Landlord the proceeds of insurance carried by Tenant pursuant to Section 10.2 with respect to such fire or other casualty (excluding any insurance proceeds received by Tenant for any of Tenant's personal Premises) and property.

- (a) If and whenever all or any portion of the Building is destroyed or damaged by reason of any cause to such extent that:
  - (i) in the Landlord's reasonable opinion to be given to the Tenant in writing within sixty (60) days after the occurrence of such damage or destruction, it is unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage; or
  - (ii) the estimated cost (as estimated by the Landlord) of repairing or rebuilding the Premises exceeds the proceeds of insurance available to the Landlord for such purpose (or which would have been available if the Landlord had insured in compliance with Section 10.1); the Landlord may terminate this Lease upon not less than thirty (30) days prior written notice to the Tenant, given within sixty (60) days after the happening of such destruction or damage, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord; and
  - (iii) if and to the extent that such destruction or damage has rendered the Premises in whole or in part unfit for occupancy by the Tenant-, Rent shall abate from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises unfit for occupancy is of the total Net Rentable Area of the Premises; and
  - (iv) otherwise Rent shall be apportioned to the date of surrender.
- (b) If and whenever the Premises is destroyed or damaged by reason of any cause and this Lease shall not have been terminated, the Landlord shall, with all reasonable diligence, make the repairs specified in Section 9.1 and the Tenant shall, with all reasonable diligence and in compliance with Section 8.1, make all repairs to the Premises specified in Section 9.2 and complete the Premises for occupancy for the purpose described in Section 7.1 and in compliance with Subsection 7.6(b). If as a result of any destruction or damage to the Premises which the Landlord is obligated to repair pursuant to Section 9.1, and which is not the fault of the Tenant or those for whom it is at law responsible, and which does not consist of merely a temporary interruption of or interference with any utility, service or access, the Premises is rendered in whole or in part unfit for occupancy by the Tenant, then during the period

commencing on the occurrence of such destruction or damage and ending upon the date when the repairs to the Premises have been completed, Rent hereby reserved shall be abated entirely from the date of damage until the Premises has been repaired or restored.

## ARTICLE 10 -INSURANCE AND LIABILITY

### 10.1 Landlord's Insurance

The Landlord shall throughout the Term hereof effect and maintain the following insurance in respect of the Building and the Lease:

- (a) "all risks" insurance which shall insure the Premises on a replacement value basis against fire, earthquake, extended coverage endorsement perils and other casualties and contingencies against which a reasonable landlord would insure;
- (b) boiler and machinery insurance on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
- (c) loss of rental income insurance in an amount sufficient to replace all Rent payable under the provisions of this Lease for an indemnity period of a reasonable period of time;
- (d) commercial general liability insurance covering claims for personal injury and Premises damage arising out of the operation of the Premises; and
- (e) such other coverage, or increases in the amount of coverage, as the Landlord may consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure the Leasehold Improvements in the Premises except to the extent herein specifically required.

### 10.2 Tenant's Insurance

- (a) The Tenant covenants and agrees with the Landlord to pay the cost of replacing any damaged plate or other glass in the windows and doors of the demised Premises, and repair damage to the demised Premises resulting from burglary or attempt thereat notwithstanding any other provision hereof **AND FURTHERMORE** the Tenant shall keep all plate glass and all doors and windows in the demised Premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained. The Tenant shall have any and all such damage expediently repaired and/or replaced with like kind and quality, and in any case to the sole satisfaction of the Landlord, acting reasonably.
- (b) Furthermore, the Tenant shall, at its expense, take out and keep in force during the Term:
  - (i) **Commercial General Liability Insurance:** inclusive limits commercial general liability insurance which shall include coverage for personal injury, contractual liability, non-owned automobile liability insurance and owned automobile insurance covering bodily injury, death and Premises damage, all on an occurrence basis with respect to the Tenant's use and occupancy of the Premises, with coverage for any one occurrence or claim of not less than Three Million (\$3,000,000.00) Dollars or such other amount as the Landlord may from time to time reasonably require upon not less than thirty (30) days' notice at any time during the Term, with the Landlord added as "additional insured" on the policy;

- (ii) **Tenant Legal Liability Insurance:** Tenant's legal liability on an "all risk" format in a minimum amount that will cover the full replacement cost of the Premises (to the extent not arranged by the Landlord and charged to the Tenant as an Operating Cost pursuant to the terms hereof);
- (iii) **Leasehold Improvement Insurance:** "all risks" insurance including earthquake, flood and sewer backup perils covering the replacement value of the Leasehold Improvements for which insurance shall be a minimum amount equal to the total of fifty-five dollars times the square footage of the improved Premises and covering Trade Fixtures (if any) and burglary insurance with respect to the Premises for not less than the full replacement cost thereof, and which insurance shall include a bylaw endorsement and shall provide that any proceeds recoverable with respect to Leasehold Improvements shall be payable to the Landlord (but the Landlord agrees to make available such proceeds toward the repair or replacement of the insured Premises if this Lease is not terminated pursuant to any other provisions hereof); and
- (iv) **Miscellaneous Perils Insurance:** Insurance against such other perils and in such amounts as the Landlord or any mortgagee may from time to time reasonably require upon not less than sixty (60) days' notice, such requirement to be made on the basis that the required insurance is customary at the time in the same city or area for buildings similar to the Building.

### 10.3 Form of Tenant's Insurance

- (a) All policies of insurance required to be maintained by the Tenant hereunder:
  - (a) shall be on terms, and with such insurers, to which the Landlord has no reasonable objection;
  - (b) shall be primary non-contributing with, and not in excess of, any other insurance available to the Landlord or its mortgagee;
  - (c) with respect to the insurance described in Subsections 10.2(b)(ii), (iii) and (iv) shall name the Landlord as additional insured and loss payee and, during the Term, the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and loss payee;
  - (d) with respect to Subsections 10.2(b)(i) shall name the Landlord as an additional insured and, during the Term the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and Tenant Liability Insurance shall contain provision for cross-liability and severability of interest clauses;
  - (e) with respect to Subsections 10.2(b)(ii), (iii) and (iv) shall contain where applicable a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or anyone for whom the Landlord is in law responsible.
  - (f) Each policy shall also contain an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be cancelled or not be renewed, except after not less than thirty (30) days prior written notice to the Landlord of the intended change, lapse or cancellation.

- (b) The Tenant shall furnish to the Landlord, if reasonably requested by the Landlord, certificates as to the insurance from time to time effected by the Tenant and its renewal or continuation in force in form acceptable to the Tenant's insurers evidencing that the required insurance is in force, together with evidence as to the method of determination of full replacement cost of the Tenant's Leasehold Improvements and the Tenant's Trade Fixtures, furniture and equipment. If, during the Term, the Landlord reasonably concludes that the full replacement cost has escalated for whatever reason, the Landlord may revise the coverage amount required by the Tenant. If the Tenant fails to take out, renew or keep in force such insurance, or if the certificates submitted to the Landlord pursuant to the preceding sentence are unacceptable to the Landlord (or no such certificates are submitted within a reasonable period after request therefor by the Landlord), the Landlord may give to the Tenant notice requiring compliance with this section and specifying the respects in which the Tenant is not then in compliance with this section. If the Tenant does not, within five (5) business days (or such lesser period as the Landlord may reasonably require having regard to the urgency of the situation), provide appropriate evidence of compliance with this section, the Landlord will charge the Tenant for all actions required to be taken, in the sole judgment of the Landlord, to ensure compliance with this section.
- (c) All costs reasonably incurred by the Landlord in connection with the foregoing will be considered as Additional Rent and shall be due immediately upon receipt of invoice by the Tenant. In addition, the Landlord may, but shall not be obligated to, obtain some or all of the additional coverage or other insurance which the Tenant shall have failed to obtain, without prejudice to any other rights of the Landlord under this Lease or otherwise, and the Tenant shall pay all premiums and other costs incurred by the Landlord forthwith upon demand.

#### 10.4 Release of Landlord by Tenant

Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (ii) arising from the breach by the Landlord of any provisions of this Lease (all of the foregoing referred to herein as the "**Tenant Exceptions**"), the Tenant hereby releases the Landlord from all claims, actions, causes of action, damages, demands for damages and other liabilities, that may be made by the Tenant against the Landlord under the provisions of this Lease. The Tenant agrees that the Landlord, except to the extent arising from the Tenant Exceptions, shall not be liable for and hereby releases the Landlord from any and all claims, causes of action, damage, demands for damage and other liabilities:

- (a) for any damage (other than Insured Damage) which is caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Premises or from the pipes or plumbing works, including the sprinkler system thereof, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring or of sprinkler heads;
- (b) any act or omission on the part of any Agent, contractor or person from time to time engaged by the Landlord to perform Additional Services in or about the Premises;
- (c) loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant; or
- (d) loss or damage for which the Tenant is required to or does carry insurance. In addition, the Tenant hereby releases the Landlord and those for whom the Landlord is at law responsible from all claims or liabilities in respect of damage required to be insured against by the Tenant pursuant to the terms of this Lease.



### **10.5 Release of Tenant by Landlord**

The Landlord hereby releases the Tenant and those for whom the Tenant is at law responsible from all claims or liabilities in respect of any damage which is Insured Damage to the extent of the insurance proceeds actually received by the Landlord.

### **10.6 Indemnities of Landlord by Tenant**

- (a) Subject to Section 10.5 hereof, the Tenant will indemnify the Landlord and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property and reasonable legal fees, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provisions of this Lease, except to the extent that any such liabilities, claims or expenses are caused by, arise by reason of or in connection with the negligence or intentional act of the Landlord or those for whom the Landlord is in law responsible. This indemnity shall survive the termination or expiry of this Lease.
- (b) The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all reasonable costs of remediation) arising in any manner whatsoever out of any breach by the Tenant or any party for whom the Tenant is responsible at law of any Environmental Law, except to the extent that such things are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. This indemnity shall survive the termination or expiry of this Lease.

### **10.7 Indemnities of Tenant by Landlord**

- (a) Subject to Section 10.4 hereof, the Landlord will indemnify the Tenant and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses, including reasonable legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing, to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to: (a) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (b) arising from the breach by the Landlord of any provisions of this Lease. This indemnity shall survive the termination or expiry of this Lease.
- (b) Notwithstanding anything in this Lease to the contrary, the Tenant shall have no obligations with respect to Hazardous Substances located on, in, above or under the Premises prior to the commencement of this Lease, and the Landlord agrees to indemnify and save harmless the Tenant from and against any claims or demands pursuant to any Environmental Laws, or third party claims, with respect to said pre-existing Hazardous Substances. This indemnity shall survive the termination or expiry of this Lease.

## **ARTICLE 11 -ASSIGNMENTS AND SUBLEASES BY TENANT AND TRANSFERS BY LANDLORD**

### 11.1 Assignments, Subleases, Transfers

- (a) In this Lease, "**Transfer**" means:
- (i) an assignment, sale, termination, conveyance, sublease, or other disposition of this Lease or the Premises, or any part of them or any interest in this Lease (whether by operation of law or otherwise), or in a partnership that is a Tenant under this Lease;
  - (ii) a mortgage, charge or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Tenant under this Lease;
  - (iii) a sharing of possession of all or part of the Premises;
  - (iv) a Transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "affiliate" (which for the purposes of this Article 11 means "affiliate" as that term is defined on the date of this Lease under the *Canada Business Corporations Act*) of the Tenant which results in a change in the effective voting control of the Tenant; or
  - (v) a merger, amalgamation or other corporate reorganization of the Tenant. "Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in this subsection, the Transferor is the person that has effective voting control before the Transfer and the Transferee is the person that has effective voting control after the Transfer).
- (b) The Tenant shall not assign, sublet or otherwise Transfer this Lease, either directly or indirectly, without the express written consent of the Landlord which consent may not be unreasonably withheld. In the event the Landlord gives its consent to an assignment or sub-tenancy, the Tenant shall, notwithstanding the Landlord's consent, remain liable to the Landlord for all of the Tenant's covenants and obligations contained in this Lease. It is further understood and agreed that in the event the Landlord consents to an assignment or sub-tenancy, the Landlord may, in its sole and absolute discretion, refuse to consent to any further assignment or sub-letting of the Premises during the Term or any extended Term of the Lease.
- (c) Without limitation, it shall constitute reasonable grounds for any withholding of consent by the Landlord that, in the Landlord's reasonable judgment:
- (i) the proposed Transferee does not have a satisfactory financial condition having regard to the obligations which it will assume as Transferee;
  - (ii) it is intended or likely that it will use any part of the Premises for any purpose which is not permitted by this Lease or which is not acceptable to the Landlord, acting reasonably;
  - (iii) where the return to the Tenant on any proposed Transfer is greater than the amounts payable by the Tenant hereunder and the Tenant has not agreed to pay an amount equal to fifty (50%) percent of such excess to the Landlord; or
  - (iv) if, at the time of requesting a Transfer, the Tenant is in Default hereunder.

- (d) Without limitation, the Tenant shall for the purposes of this Lease be considered to have effected or permitted a Transfer in any case where it permits the Premises or any portion thereof to be occupied by a person or persons other than the Tenant, its employees and others engaged in carrying on the business of the Tenant, whether pursuant to assignment, subletting, license or other right, and shall also include any case where any of the foregoing occurs by operation of law.
- (e) The Landlord shall have the right of approval, acting reasonably, of any marketing of space by the Tenant.
- (f) If the Landlord's consent is given, the Tenant shall complete the Transfer, but only upon the terms set out in the offer submitted to the Landlord pursuant to Section 11.2 and not otherwise. Such Transfer shall occur within one hundred and twenty (120) days after the Tenant's request for consent and only upon any Transferee entering into an agreement directly with the Landlord, and in a form satisfactory to the Landlord, acting reasonably, to perform, observe and keep each and every covenant proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent.
- (g) Notwithstanding the foregoing, the Tenant shall have the right to assign or sublet to a corporation affiliated (as that term is defined in the *Business Corporations Act* (Alberta) with the Tenant without the consent of the Landlord, provided that the Tenant has first given notice to the Landlord and further provided that the Tenant and its affiliate have first entered into an agreement directly with the Landlord, in a form satisfactory to the Landlord, acting reasonably, whereby the affiliate agrees to perform, observe and keep each and every covenant, proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent and whereby the Tenant and the affiliate agree to remain affiliated to one another, a breach of which agreement would constitute a breach of this Lease.
- (h) All reasonable legal fees of the Landlord incurred with the preparation of the documentation by the Landlord in respect to any Transfer (as defined in Subsection 11.1 (a) herein) by the Tenant shall be paid by the Tenant forthwith upon demand, prior to the Landlord initiating any requested Transfer process, up to a maximum amount of One Thousand (\$1,000.00) Dollars plus G.S.T.

#### **11.2 Landlord's Consent**

- (a) The Tenant shall not effect or permit a Transfer unless:
  - (i) it shall have received or procured a bona fide written offer therefor to take a Transfer which is not inconsistent with, and the acceptance of which would not breach, any provisions of this Lease if this Article is complied with and which the Tenant has determined to accept subject to this Article being complied with; and
  - (ii) it shall have requested and obtained the consent in writing of the Landlord thereto.
- (b) Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord information reasonably requested by the Landlord, as to the responsibility, reputation, financial standing and business of the proposed Transferee. Within ten (10) days after the receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within ten (10) days after receipt of such request for consent), the Landlord shall provide, decline to provide or

otherwise withhold its consent. In the event that the Landlord declines to provide its consent, subject to (c) below the Landlord shall have the right upon notice to the Tenant, if the proposed Transfer affects the whole of the Premises, to terminate this Lease or, if the proposed Transfer affects a part of the Premises only, to delete from the Lease such part of the Premises as is affected by the proposed Transfer, in each case as of the date of the proposed Transfer. In such event, the Tenant shall surrender the whole or part, as the case may be, of the Premises in accordance with such notice and Rent shall be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, Rent shall thereafter abate proportionately. If the Landlord shall not exercise the foregoing right, then the provisions of Section 11.1 shall apply.

- (c) If the Landlord elects to terminate or delete in accordance with (b) above, as the case may be, the Tenant may withdraw its request for consent by notice to the Landlord within ten (10) days after the Landlord's notice of such election, in which event the Landlord's notice of election shall be null and void and the Tenant shall not proceed with the Transfer for which such consent was requested.

### **11.3 No Advertising of the Premises**

The Tenant shall not print, publish, post, mail, display, broadcast or otherwise advertise or offer the whole or any part of the Premises for the purposes of a Transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which may be unreasonably withheld. In any event such notices or advertisement shall not be located in or on the Building, shall not be on a sign larger than four (4) feet square in size and shall not contain any reference to the Rent payable in respect of the Premises. Such notices or advertisement shall be situated at a location and in a form pre-approved by the Landlord, in its sole discretion.

### **11.4 Dealings by Landlord**

Subject to the Tenant's Right of First Refusal pursuant to Section 17.19 hereof, the Landlord may sell, transfer, charge, encumber or otherwise deal with the Premises or any portion thereof or any interest of the Landlord therein, in every case without the consent of the Tenant and without restriction. To the extent that any purchaser or transferee from the Landlord has become bound by the covenants and obligations of the Landlord under this Lease, the Landlord shall, without further written agreement, be freed and relieved of liability with respect to such covenant and obligations.

## **ARTICLE 12 – ESTOPPEL CERTIFICATES, CAVEATS, ENCUMBRANCES, LIENS & INTERESTS REGISTERED ON TITLE**

### **12.1 Estoppel Certificates**

Each of the Landlord and the Tenant agrees that it will, at any time and from time to time, upon the reasonable request of the Landlord or the Tenant, as applicable, and upon not less than twenty (20) days' notice, execute and deliver to the other (and, if required, to any prospective purchaser or mortgagee or encumbrancer of the Premises) a certificate in writing as to the status at that time of this Lease, including as to whether this Lease is unmodified and in full force and effect (or, if modified, stating the modification and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the date on which the same, by installments or otherwise, and other charges hereunder, have been paid, whether or not there is any existing Default on the part of the other of which it has notice, and any other matters pertaining to this Lease as to which the other shall reasonably request a statement.

### **12.2 Caveats, Encumbrances, Liens & Interests Registered on Title**

- (a) The Tenant shall be entitled to file a caveat giving notice of this Lease, however, **THE TENANT SHALL DELIVER THE CAVEAT OR NOTICE TO THE LANDLORD FOR PRIOR APPROVAL, NOT TO BE UNREASONABLY WITHHELD. UNDER NO CIRCUMSTANCES SHALL ANY FORM BE REGISTERED THAT CONTAINS FINANCIAL INFORMATION.**
- (b) The Tenant agrees that it will, at its sole expense, commence to discharge and withdraw from title any such registration within thirty (30) days following the expiration or sooner termination of the Lease. If such registration is not discharged and withdrawn during the aforesaid time, the Landlord shall have the right and is hereby appointed by the Tenant as its Agent and attorney to prepare, execute and register on behalf of the Tenant such documentation as is required to discharge and withdraw any such registration, and all costs shall be borne solely by the Tenant. The Landlord, at its sole discretion, may seek reimbursement directly from the Tenant.

### 12.3 Subordination and Attornment

Unless otherwise agreed by the Landlord, this Lease and all of the rights of the Tenant hereunder shall be subordinate to any encumbrances and any and all mortgages by the Landlord's mortgagees from time to time registered against the title to the Premises. Upon the reasonable request being made by the Landlord, the Tenant shall postpone its rights under the Lease to any and all such mortgages or encumbrances and shall do so in such form or forms as the Landlord may require. The Tenant acknowledges and agrees that it will take no steps to obstruct the Landlord's rights under this clause and also acknowledges and agrees that its refusal to execute such a postponement when requested to do so could cause the Landlord substantial financial damages which the Landlord shall be entitled to claim back against the Tenant for its refusal to comply with the provisions of this section of the Lease.

## ARTICLE 13 -UNAVOIDABLE DELAYS

### 13.1 Unavoidable Delays

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted in the fulfillment of any obligation hereunder in respect of the supply or provision of any service or utility the making of any repair, the doing of any work or any other thing (other than the payment of moneys required to be paid by the Tenant to the Landlord hereunder) by reason of:

- (a) strikes or work stoppages;
- (b) being unable to obtain any material, service, utility or labor required to fulfill such obligation;
- (c) any statute, law or regulation of, or inability to obtain any permission from any government authority having lawful jurisdiction preventing, delaying or restricting such fulfillment in relation to a government response or health directive related to an epidemic or other public emergency; or
- (d) other unavoidable occurrence,

the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned; provided that nevertheless the Landlord will use its best efforts to maintain services essential to the use and enjoyment of the Premises

and provided further that if the Landlord shall be prevented, delayed or restricted in the fulfillment of any such obligation hereunder by reason of any of the circumstances set out in Subsection 13.1(c) hereof and to fulfill such obligation could not, in the reasonable opinion of the Landlord, be completed without substantial additions to or renovations of the Premises, the Landlord may on sixty (60) days' written notice to the Tenant terminate this Lease and the Tenant shall not be entitled to any compensation whatsoever or abatement of Rent.

## **ARTICLE 14 -LANDLORD'S ACCESS TO PREMISES**

### **14.1 Inspection and Repair**

The Landlord and its authorized Agents and employees shall have the right, at any time and from time to time, upon not less than twenty-four (24) hours prior notice to the Tenant, to enter the Premises for the purpose of inspection, providing maintenance, making repairs, alterations or improvements to the Premises or to have access to utilities and services as may be required pursuant to the terms of this Lease, and the Tenant shall provide reasonable access for such purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, except to the extent as a result of the willful misconduct or negligence of the Landlord or those for whom it is at law responsible. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

### **14.2 Right to Exhibit Premises**

Where the Tenant has sent notice to the Landlord of its intention not to exercise its Renewal Option, or has failed to provide the Landlord with its Renewal Notice within the appropriate period, the Landlord and its authorized Agents and employees shall have the right-, upon forty-eight (48) hours prior notice to the Tenant, to exhibit the Premises to prospective tenants at all reasonable hours during the last three (3) months of the Term. The Landlord and its authorized Agents and employees shall also have the right, upon not less than twenty-four hours prior notice to the Tenant, to enter upon the Premises at reasonable hours during the Term for the purpose of exhibiting the Premises to any prospective purchaser or mortgagee thereof. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

## **ARTICLE 15 -DEFAULT**

### **15.1 Events of Default**

Each of the following shall be an event of Default of the Tenant:

- (a) whenever the Tenant defaults in the payment of any Rent and such Default continues for five (5) business days after written notice thereof to the Tenant; or
- (b) other than with the prior consent of the Landlord, if the Tenant permits the Premises to be used for a purpose other than that described in Section 7.2 hereof; or
- (c) whenever the Tenant defaults in the performance of any of its other obligations hereunder and such Default can be remedied by the Tenant but is not remedied within a period next after written notice thereof is provided by the Landlord and which period shall be:
  - (i) if the Default could reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure within ten (10) business days after

notice and proceeds thereafter diligently and continuously to remedy it within thirty (30) business days;

- (ii) if the Default could not reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure not later than ten (10) business days after notice and proceeds thereafter diligently and continuously to remedy it, that number of days after notice which would reasonably suffice for the remedying of such Default if the Tenant had commenced to remedy such Default within ten (10) business days after notice and proceeded thereafter diligently and continuously to remedy it; and
  - (iii) in any case where the Tenant does not commence to remedy such Default within ten (10) business days after notice;
- (b) if the Tenant is adjudicated to be insolvent or makes an assignment for the benefit of creditors or in bankruptcy, or is declared bankrupt, or takes the benefit of any legislation that may be in force for bankrupt or insolvent debtors or if any proceedings are taken by or against the Tenant under any winding-up legislation, and such adjudication, assignment declaration or proceedings are not set aside or revoked within sixty (60) business days after the making or taking of the same, or if the Tenant makes any bulk sale of its assets, except to a successor in conjunction with a permitted assignment of this Lease;
  - (c) if a writ of execution is issued against the Tenant, or if the Term hereby granted or any of the goods, chattels or equipment of the Tenant is taken in execution or attachment, or be seized by any creditor of the Tenant, whether secured or otherwise; or
  - (d) if the Premises or a substantial part thereof are abandoned or become vacant or not used or occupied while capable of use and occupancy, and remain so for a period of twenty (20) business days (which does not include temporary vacancy or non-use for a longer period when necessary to accommodate the carrying out of renovations in the Premises or a change in use of the Premises or required vacancy pursuant to Section 13.1 hereof), or if the Premises is used by any other person or persons other than the Tenant or for any other purpose than that for which the same were let, in each case without the prior written consent of the Landlord.

## 15.2 Remedies by Landlord

Upon any event of Default of the Tenant, in addition to any remedy that the Landlord may have by this Lease or at law or in equity, the Landlord may, at its option:

- (a) provide, by notice to the Tenant that the current month's Rent and Rent for the next ensuing three (3) months shall thereupon become immediately due and payable;
- (b) terminate this Lease and re-enter and take possession of the Premises;
- (c) enter the Premises as agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and without being deemed to have terminated this Lease, and relet the Premises or any part thereof as the agent of the Tenant and receive the rent therefor to be applied on account of the Rent;
- (d) exercise its right of distress and the Tenant hereby waives any present or future limitation on the Landlord's right of distress; and/or

- (e) suspend the supply to the Premises of any Additional Service furnished by the Landlord until the Default is cured.

### **15.3 Additional Self-help Remedy of Landlord**

In addition to all other remedies the Landlord may have by this Lease, at law or in equity, if the Tenant does not perform any of its obligations hereunder, the Landlord may, at its option, perform any such obligations, after five (5) business days notice-, or as may otherwise be provided for in this Lease, to the Tenant, or, in the event of an emergency without notice, and in such event the cost of performing any such obligations plus an administrative charge of fifteen (15%) percent of such cost shall be payable by the Tenant to the Landlord forthwith upon demand together with interest at the Rate of Interest from the date of the performance of any of such obligations by the Landlord to the date of payment by the Tenant.

### **15.4 Legal Costs**

The Tenant hereby agrees to pay to the Landlord, within ten (10) days after demand, all reasonable legal fees and disbursements incurred by the Landlord for the enforcement of any rights of the Landlord under this Lease or in the enforcement of any of the provisions of this Lease or in the obtaining of possession of the Premises or for the collection of any monies from the Tenant in accordance with the terms of the Lease.

### **15.5 Remedies Cumulative**

Any condoning, excusing or overlooking by either the Landlord or the Tenant of any Default by the other at any time or times in respect of any obligation of the other herein shall not operate as a waiver of the non-Defaulting party's rights hereunder in respect of such Default or so as to defeat or affect in any way the rights of the non-Defaulting party in respect of any such continuing or subsequent Default by the Defaulting party. No waiver shall be implied by anything done or omitted by a party. Any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

### **15.6 Non-Waiver**

The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any Default hereunder by the Tenant, either by any provision of this Lease, or by statute, or at law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord at law or in equity.

## **ARTICLE 16 -DISPUTE RESOLUTION**

### **16.1 Dispute Resolution**

- (a) Any dispute arising out of or pursuant to this Lease shall be settled through negotiations in the following sequence:
  - (i) non-binding mediation; and
  - (ii) binding arbitration.



- (b) Either party may, within fifteen (15) days, take the dispute to the next step if the parties fail to agree on the appointment or procedure referred to in this clause.
- (c) When mediation is selected by the parties, they shall jointly appoint one impartial mediator to undertake the process according to mutually agreed upon procedures.
- (d) If the parties decide to submit a dispute to arbitration, it shall be pursuant to the *Arbitration Act* (Alberta). The parties shall attempt to appoint jointly one impartial arbitrator. If the parties cannot agree within thirty (30) days on the choice of an arbitrator, each party shall appoint, at its own cost, one impartial arbitrator and those two arbitrators shall appoint a third arbitrator, who shall act as chairperson of the arbitral tribunal. The parties agree that the decision of the arbitrator(s) so appointed shall be final and binding upon the parties, who further covenant with each other that upon such decision being given such decision shall be final.
- (e) When one of the preceding steps is selected to resolve a dispute, the parties shall jointly enter into a contract with the required mediator, arbitrator or arbitrators, as the case may be, to pay the costs for the desired services and to bear their own costs of participating in the process involved.
- (f) If proper notice of intention to request a court of competent jurisdiction to resolve the dispute is received by either party, any arbitration proceedings shall be immediately terminated and any cost incurred to date of termination shall be in accordance with Section (e) above.

## **ARTICLE 17 -GENERAL PROVISIONS**

### **17.1 Entire Agreement; Measurement Survey**

This Lease contains all of the terms and conditions of the agreement between the Landlord and the Tenant relating to the matters herein provided and supersedes all previous agreements or representations of any kind, written or verbal, made by anyone in reference thereto. There shall be no amendment hereto unless in writing and signed by the party to be bound. Notwithstanding the foregoing, if, following the execution of this Lease, the Landlord obtains a survey by a certified measuring professional which determines the actual Gross Rentable Area of the Premises, it shall be attached hereto as Schedule "A" and form part of this Lease. If the Gross Rentable Area of the Premises shown in this same survey is different than the Gross Rentable Area described in Schedule "A", then it shall take precedence and thereafter become the Gross Rentable Area used to calculate Basic Rent.

### **17.2 Schedules**

All Schedules attached hereto are hereby incorporated and form part of this Lease. Capitalized terms used in the Schedules hereto but not otherwise defined therein shall have the meanings assigned to them in this Lease.

### **17.3 Municipal Government Act**

This Lease is subject to compliance, if necessary, with the *Municipal Government Act* (Alberta).

### **17.4 Survival of Obligations**

Any obligation of a party which is unfulfilled on the termination of this Lease shall survive until fulfilled.

### **17.5 Severability of Illegal Provision**

If any provision of this Lease is or becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though the said provision had never been included.

#### **17.6 Governing Law**

This Lease shall be governed by the laws applicable in the Province of Alberta.

#### **17.7 No Partnership**

Nothing contained herein shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

#### **17.8 Number, Gender, Joint and Several Liability**

The word "Tenant", the word "assignee" and the word "sublessee" and personal pronouns relating thereto and used in conjunction therewith shall be read and construed as "Tenant" or "Tenants", "assignee" or "assignees" and "sublessee" or "sublessees" respectively and "his", "her", "it", "its" and "their" as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be considered as agreeing with the said word or pronoun so substituted. If at any time there is more than one Tenant together or in succession, they shall be jointly and severally liable for all of the obligations of the Tenant hereunder.

#### **17.9 Captions**

The captions for Articles or sections of this Lease are for convenience only and are not to be considered a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

#### **17.10 Time of Essence**

Time shall be of the essence of this Lease.

#### **17.11 Landlord's Agent**

The Landlord may perform any of its obligations or exercise any of its rights hereunder through such agency as it may from time to time determine and the Tenant shall, as from time to time directed by the Landlord, pay to any such Agent any moneys payable hereunder to the Landlord.

#### **17.12 Successors and Assigns**

The word "**Landlord**" wherever it occurs herein, shall mean and extend to and include the Landlord, its successors and assigns and the word "**Tenant**" shall mean and extend to and include the Tenant, its successors and assigns. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective heirs, executors, administrators, successors and permitted assigns of the said parties. No rights shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with the provisions of this Lease.

#### **17.13 Accounting Principles**

All calculations referred to herein shall be made in accordance with generally accepted accounting principles and practices applicable to the real estate development industry and applied on a consistent basis.

#### 17.14 Notices and Consents

Any notice or consent (including any invoice, statement, request or other communication) herein required or permitted to be given by either party to the other shall be in writing and shall be delivered by hand, facsimile, electronic mail or sent by Canada Post registered mail (postage prepaid) to the applicable communication address or addresses set forth below:

- (a) in the case of the Landlord, to:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB, T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

- (b) in the case of the Tenant, to:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8  
Attention: Shane Daerden  
Email: shane@collisionkings.ca

Any notice delivered, or legibly received by hand, via email or transmitted by facsimile machine, shall be deemed to have been validly and effectively given on the day of such delivery. A printed "read receipt" shall be proof that an email notice has been effectively sent on the date and time shown on such receipt. Any notice delivered or legibly received by courier or by Canada Post registered mail shall be deemed to have been validly and effectively given on the second Business Day following the date it was sent.

Either party may from time to time by written notice to the other change its address for service hereunder.

#### 17.15 Further Assurances

Each party agrees to make such further assurances as may be reasonably required from time to time by the other to more fully implement the true intent of this Lease.

#### 17.16 Confidentiality

The Tenant agrees to use its best efforts to keep confidential, and to use its best efforts to ensure that those for whom at law it is responsible, and its advisors keep confidential the provisions of this Lease.

#### 17.19 Right of First Refusal

The Tenant shall have the right of first refusal for any bona fide offers the Landlord may receive for the Premises as set forth in Schedule "B" attached hereto.

**17.20 Counterparts**

This Lease may be signed by the parties in counterpart and delivered to the other electronically.

**<THE SIGNATURE PAGE FOLLOWS>**

**IN WITNESS WHEREOF** the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**  
(Landlord)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ c/s  
(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**  
(Tenant)

PER:  \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(I have authority to bind the Corporation)

**IN WITNESS WHEREOF** the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**

(Landlord)

PER: *Chris Stathonikos*

Name: CHRIS STATHONIKOS

Title: PRESIDENT c/s  
(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**

(Tenant)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(I have authority to bind the Corporation)

SCHEDULE "A"  
GROSS RENTABLE AREA

**SCHEDULE "B"**  
**RIGHT OF FIRST REFUSAL AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2020.

BETWEEN:

**CMD PROPERTIES INC.**  
(the "Grantor")

- and -

**CMD HOLDINGS INC.**  
(the "Grantee")

**RECITALS:**

A. The Grantor is the registered owner of an estate in fee simple of those certain lands situate in Calgary, in the Province of Alberta, legally described as follows:

Plan 0611776  
Block 11  
Lot 17  
Excepting Thereout All Mines and Minerals

(the "Lands");

B. There is currently situated on the Lands, a building owned by the Landlord (the "Building");

C. The Grantor has agreed to grant the Grantee a right of first refusal with respect to the Lands and the Building (collectively called, the "Property") on the terms and conditions set out in this Agreement.

**NOW THEREFORE**, in consideration of the entering into of the Lease dated \_\_\_\_\_, 2020 (the "Lease") between the Grantor and the Grantee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby grants to the Grantee an irrevocable right of first refusal to acquire the Property, or interest therein, on the terms and conditions set out in this Agreement.

1. Should the Landlord, at any time during the Term or any Renewal Term, receive a bona fide offer from a third party or third parties with whom the Landlord is dealing at arm's length (a "**Third Party Offer**"), to purchase the Property, and the Landlord is prepared to accept the Offer, the Landlord shall immediately notify the Tenant in writing of the Third Party Offer (the "**Offer Notice**") and provide the Tenant with a true copy thereof. The Tenant shall have the right for a period of thirty (30) days from the date of receipt of the Offer Notice, excluding the day of such receipt (the "**Exercise Period**") to notify the Landlord in writing that they desire to purchase the Property upon the same terms and conditions as contained in the Third Party Offer. Should the Tenant so notify the Landlord, the Tenant shall be deemed to have agreed to purchase the Property from the Landlord and the Landlord shall be deemed to have agreed to sell the Property upon the terms and conditions contained in the Third Party Offer and such other terms and conditions as are made applicable thereto pursuant to the provisions of this Schedule "B".



2. Should the Tenant fail to notify the Landlord during the Exercise Period of its desire to purchase the Property upon the terms and conditions contained in the Third Party Offer, the Landlord shall be at liberty to complete the sale of the Property to the party or parties who made the Third Party Offer, **PROVIDED THAT**, such sale shall not be completed on terms and conditions which are more favourable to the purchaser than those contained in the Third Party Offer and **PROVIDED FURTHER THAT** should such sale not be completed within three hundred sixty-five (365) days from the date of such expiry, the Landlord's right to complete such sale shall terminate. In such event, the provisions of this Section 2, including this sentence, shall continue to apply mutatis mutandis to any subsequent offer to purchase the Property received by the Landlord from a party or parties with whom the Landlord is dealing at arm's length.
3. The Landlord shall not:
  - (a) accept any offer for the purchase of the Property which requires any form of consideration other than cash in Canadian currency to be paid to the Landlord;
  - (b) accept any offer to purchase the Property from a party or parties with whom the Landlord is not dealing at arm's length;
  - (c) accept any offer to purchase of the Property which is not a bona fide offer; or
  - (d) accept any offer to purchase less than the entirety of the Property.
4. For the purposes hereof, a party or parties shall be deemed not to be dealing with the Landlord at arm's length if such party or parties or any of them is an associate of the Landlord, either directly or indirectly, for the purpose of defeating the intent of this Schedule "B".
5. Should the Tenant agree to purchase the Premises pursuant to the provisions of this Schedule "B" hereof, then the parties hereto shall enter into an agreement of purchase and sale in accordance with the Third Party Offer, which agreement for sale shall set forth the terms of purchase and sale of the Property including purchase price, repayment and calling for a closing, adjustment and possession date of not less than thirty (30) days from the date of acceptance by the Tenant of the Third Party Offer.
6. For absolute certainty, the Grantor shall not permit a disposition (including the conveyance, sale, transfer, assignment, lease or any other disposition whatsoever, either directly or indirectly, of all or any portion of the Grantor's interest in the Property, of its legal or beneficial interest, or both) of the Property to occur until it has first offered the Grantee the right to acquire the interest in the Property on identical terms to a Third Party Offer in accordance with the terms hereof.
7. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
8. Any notice, correspondence or communication (each and collectively, a "**Notice**") required to be given shall be sufficiently given if delivered in person addressed to the parties as follows:

To the Grantor:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB ,T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

with a copy (which shall not constitute notice) to:

McLeod Law LLP  
300, 14505 Bannister Road SE  
Calgary, AB, T2X 3J3

Attention: Neil Hutton / Jeff Larson  
Email: nhutton@mcleod-law.com and jlarson@mcleod-law.com

To the Grantee:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8

Attention: Shane Daerden  
Email: shane@collisionkings.ca

with a copy (which shall not constitute notice) to:

MLT Aikins LLP  
360 Main Street – 30<sup>th</sup> Floor  
Winnipeg, Manitoba  
R3C 4G1

Attention: Steven J. Kohn / Melissa I. Cattini  
Email: skohn@mltaikins.com and mcattini@mltaikins.com

Or to such other address as the Grantor or the Grantee may designate in writing from time to time. Any Notice delivered shall be deemed to have been received on the date of delivery. The parties may at any time hereafter change their address for the giving of any Notice in the manner provided pursuant to this Section 8.

9. This Agreement shall enure to the benefit of and be binding upon the Grantor hereto and its successors and assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands. Provided, however, the covenants contained in this Agreement are personal to the Grantee and cannot be assigned to a third party without the consent of the Landlord, which consent may be withheld for any reason.
10. The Tenant and the Landlord agree that each shall, with reasonable diligence, proceed to take all action and to do all things and to provide all reasonable assurances as may be required to consummate any sale and purchase agreed to hereunder and each party hereto agrees to execute all such documents and

assurances as may be necessary to effect or carry out the terms of this agreement and the provisions of the agreement for purchase and sale, whether prior to or after acceptance.

**THIS IS EXHIBIT "54" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**THIS INDENTURE** made effective the **1st** day of **December, 2021**

BETWEEN:

**HARMIN HOLDINGS LTD.**, a body corporate, carrying on business in the City of Calgary, in the Province of Alberta  
(hereinafter called the "Landlord")

OF THE FIRST PART

- and -

**MAYLAND HEIGHTS COLLISION LTD.** a body corporate, carrying on business in the City of Calgary, in the Province of Alberta  
(hereinafter called the "Tenant")

OF THE SECOND PART

1. DEMISED PREMISES

WITNESSETH for and in consideration of the rents, covenants, agreements and conditions hereinafter reserved and contained and performed on the part of the Tenant to be respectively paid, kept, observed and performed, the Landlord, being the registered owner of the hereinafter described lands, has demised and leased, and by these presents does demise and lease unto the Tenant that building municipally known as **#1, 5940 – 30 Street SE** Calgary, Alberta, such building being constructed upon and within that certain parcel of land situate in the City of Calgary, in the Province of Alberta, being more particularly described as follows:

**PLAN 8310646**  
**BLOCK 1**

EXCEPTING THEREOUT ALL MINES AND MINERALS  
(hereinafter called the "lands"), together with all rights and appurtenances whatsoever to the said premises belonging or appertaining (hereinafter called the "demised premises").

2. TERM

TO HAVE AND TO HOLD the said hereby demised premises unto the Tenant for and during a term of **Five (5)** year commencing on the **1st** day of **December, 2021** (hereinafter called the "term commencement date") and expiring on the **30<sup>th</sup>** day of **November, 2026**

3. RENT

YIELDING AND PAYING THEREFOR unto the Landlord rental as follows:

3A. BASE MINIMUM YEARLY RENTAL

(a) For and during the first year of the term of this Lease, the base minimum yearly rental in the amount of **Forty six thousand eighty** DOLLARS (**\$46,080.00**) plus GST payable in lawful money of Canada, in advance, in equal monthly installments of **Three thousand eight hundred forty** DOLLARS (**\$3,840.00**) plus GST on the **1st** day of each and every calendar month of the said first year of the said term, the first of such payments to be made on the **1st** day of **December, 2021**;

(b) For and during the second year of the term of this Lease, the base minimum yearly rental in the amount of **Forty seven thousand three hundred sixty** DOLLARS (**\$47,360.00**) plus GST payable in lawful money of Canada, in advance, in equal monthly installments of **Three thousand nine hundred forty six** DOLLARS **Sixty seven** CENTS (**\$3,946.67**) plus GST on the **1st** day of each and every calendar month of the said second year of the said term, the first of such payments to be made on the **1st** day of **December, 2022**;

(c) For and during the third year of the term of this Lease, the base minimum yearly rental in the amount of **Forty eight thousand six hundred forty** DOLLARS (**\$48,640.00**) plus GST payable in lawful money of Canada, in advance, in equal monthly installments of **Four thousand fifty three** DOLLARS **Thirty three** CENTS (**\$4,053.33**) plus GST on the **1st** day of each and every calendar month of the said third year of the said term, the first of such payments to be made on the **1st** day of **December, 2023**;

(d) For and during the fourth year of the term of this Lease, the base minimum yearly rental in the amount of **Forty nine thousand nine hundred twenty** DOLLARS (**\$49,920.00**) plus GST payable in lawful money of Canada, in advance, in equal monthly installments of **Four thousand one hundred sixty** DOLLARS (**\$4,160.00**) plus GST on the **1st** day of each and every calendar month of the said fourth year of the said term, the first of such payments to be made on the **1st** day of **December, 2024**;

(e) For and during the fifth year of the term of this Lease, the base minimum yearly rental in the amount of **Fifty one thousand two hundred** DOLLARS (**\$51,200.00**) plus GST payable in lawful money of Canada, in advance, in equal monthly installments of **Four thousand two hundred sixty six** DOLLARS **Sixty seven** CENTS(**\$4,266.67**) plus GST on the **1st** day of each and every calendar month of the said fifth year of the said term, the first of such payments to be made on the **1st** day of **December, 2025**;

3B. ADDITIONAL RENT

For and during the entire term hereof, and any renewals or extensions thereof, the Tenant shall pay to the Landlord all those sums required to be paid hereunder, which shall at all times be payable as so much additional rent and which shall be recoverable as the same.

3C. PLACE OF PAYMENTS

All payments to the Landlord required hereunder shall be paid by the Tenant to the Landlord at the Landlord's office at the City of Calgary, in the Province of Alberta. The Landlord acknowledges receipt of the amount of **Five thousand eight hundred twenty four** DOLLARS (**\$ 5,824.00**) consisting of first month's rent including CAM Estimate and GST, and Security Deposit in the amount of **Fourteen thousand one hundred seventy six** DOLLARS (**\$14,176.00**) **Not including GST**, for the faithful performance of the Tenant of all terms, covenants and conditions of this Lease, such deposit herein required pursuant to Clause 4 of this Lease. \$4,176.00 to be applied to month 60's of this Lease

3D. NO ABATEMENT

The Tenant covenants with the Landlord that all of the rental payable hereunder shall be paid by the Tenant to the Landlord without any demand, deduction, set-off or abatement whatsoever. The Tenant covenants that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable hereunder in any manner as the Landlord may see fit, regardless of any designation or instructions by the Tenant to the contrary.

4. SECURITY DEPOSIT

The sum of **Fourteen thousand one hundred seventy six DOLLARS (\$14,176.00) not including GST** shall be held by the Landlord, as security for the faithful performance by the Tenant of all terms, covenants and conditions of this Lease for the rent or other charges properly made by the Landlord hereunder are overdue and unpaid then the Landlord may at its option apply any portion of such security deposit toward the payment of such overdue rent or other charge without thereby limiting or excluding any other rights which the Landlord may have hereunder or at law and if such security deposit is not so applied during the term hereof then provided the Tenant, its heirs, executors, administrators, successors or permitted assigns surrenders possession of the demised premises on the expiration of the term, has duly and regularly paid the annual rentals as and when due and all those sums payable hereunder as additional rent and has performed all, each and every one of the covenants, provisos and agreements herein and on the part of the Tenant to be paid and performed then the Landlord shall refund the security deposit to the Tenant, without interest. In the event the entire security deposit or any portion thereof is applied by the Landlord towards the payment of overdue rent or other charges accrued pursuant to the provisions hereof prior to the expiration of the term, then the Tenant shall on written demand of the Landlord forthwith remit to the Landlord such sum as is sufficient to restore the security deposit to the original amount deposited. \$4,176.00 to be applied to month 60's of this Lease

5. ABSOLUTELY NET, NET, NET LEASE

This Lease shall be at all times be construed as absolutely carefree and net net net lease to the Landlord and accordingly absolutely all government levied, legislated or placed taxes, or charges, value added taxes, sales taxes, realty taxes, charges, expenses, costs, payments and outgoings incurred in respect of the demised premises, the subject tenancy, the revenue derived therefrom and the improvements shall be



borne by the Tenant so that the rent, revenue and income herein provided shall be absolutely net to the Landlord and free of all charges, abatement, set-off or deduction for government levied, legislated or placed taxes, value added taxes, sales taxes, goods and services taxes, realty taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the demised premises, the rental derived therefrom and the improvements thereto, and the Tenant shall pay all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings, SAVE AND EXCEPT ONLY THAT the Landlord shall be solely responsible for the Landlord's own income taxes and any other charges which may be expressly stipulated herein to be the sole responsibility of the Landlord.

6. POSSESSION

The Tenant acknowledges that it is taking the demised premises "as is" and that there is nothing whatsoever that is required to be done by the Landlord in or about the demised premises, save and except as specifically set forth herein. Provided however that if the demised premises shall not be available for occupancy by the Tenant and vacant possession thereof on the term commencement date, then the term hereby granted shall commence from the date that the demised premises shall be available for occupancy and vacant possession thereof given by the Landlord to the Tenant, whereupon this Lease with the covenants, conditions and agreements herein shall be given full force and effect; provided however that if the day that the demised premises become available for occupancy falls on a day other than the first day of any calendar month then the rental payment for such broken month shall be that portion of the said monthly rental payment as the number of unexpired days in the calendar month remaining on the day the demised premises become available for occupancy bears to the total number of days in that calendar month; all subsequent rental payments shall be made monthly in advance on the first day of each and every calendar month in each and every year during the term hereof, the last month's rent in the within term of this Lease to be adjusted in accordance with the same principles as hereinbefore mentioned in connection with the first month's rent. Provided further however, the Tenant shall examine the demised premises before taking possession hereunder and such taking of possession shall be conclusive evidence as against the Tenant that at the time thereof the demised premises were fully completed and in good order and satisfactory condition and that nothing further was to be done by the Landlord in or with respect to the demised premises except as herein specifically provided or at such time agreed to by the Landlord with the Tenant in writing. occupancy if only minor

details of construction, decoration or mechanical adjustment remain to be done. Provided further however, the Tenant shall have no claim against the Landlord by reason of the demised premises not being ready for occupancy on the term commencement date or any other date.

In the event, with the permission of the Landlord, the Tenant shall occupy the demised premises or any part thereof prior to the term commencement date, such occupancy shall be deemed to be permissive at the will of the Landlord and in the absence of any other written agreement relating thereto, shall be governed by the terms, provisos, covenants, agreements and conditions of this Lease, including without limitation, payment for use and occupation at the rate of rent herein mentioned.

Save and except as expressly set forth herein, the Tenant shall be solely responsible for all work desired by the Tenant, or necessary, to complete the demised premises for the Tenant's occupancy. All such work shall be designated, approved, performed and completed in strict compliance with the Landlord's standard construction procedures, as determined by the Landlord from time to time.

7. USE OF PREMISES

The demised premises shall be used for and occupied by the Tenant for the purpose of **an Auto detailing, Auto Glass Replacement and Auto Collision Appraisal Centre** and Light vehicle repair for no other purpose whatsoever without first obtaining the Landlord's written consent, which may be unreasonably or arbitrarily withheld no MAJOR auto body work permitted. I.E. Welding, Sanding, Painting.

THE TENANT HEREBY COVENANTS AND AGREES WITH THE LANDLORD DURING THE CURRENCY OF THIS LEASE AS FOLLOWS:

8. PAYMENT OF RENT

During the said term to promptly pay or cause to be paid unto the Landlord the rents reserved at the time and in the manner hereinbefore mentioned without any set-off or deductions whatsoever, and to keep and perform and to permit no violation of each and every one of the covenants, agreements, terms, provisos and conditions herein contained on the part, or on behalf, of the Tenant to be kept and performed.

9. NUISANCE, ANNOYANCE AND POLLUTION

Not to carry on any business or occupation or do anything or permit anything to be done in or about the demised premises that shall be deemed a nuisance or which shall be in contravention of any law or which shall cause annoyance to the Landlord or adjoining occupants nor suffer or permit the demised premises to be used for any purpose other than the use hereinbefore specifically mentioned or which shall be contrary to any environmental concerns or requirements. Further, the Tenant shall protect, indemnify and save the Landlord absolutely harmless from and against any loss or damage resulting from any pollution or environmental matter or concern respecting the demised premises, the said lands and any other lands, and for any claim or action or any kind whatsoever made or commenced by any person or pollution control agency, which loss or damage or claim or action arose or may have arisen as the result, direct or indirect, of the Tenant, its servants, agents, employees or independent contractors, having deposited or having permitted the deposit of any pollution or waste of any type upon, within or in the demised premises, the aforesaid lands, any other lands, or in any waters in any stream, water course, sanitary disposal system or storm drainage system contrary to any one or more of the provisions of any environmental protection laws, including without limitation, the Calgary River Pollution By-laws; The Canada Water Act; The Environmental Protection and Enhancement Act; The Public Health Act and amendments thereto, or any regulations proclaimed in pursuance thereof and any by-laws, statutes or regulation promulgated in substitution thereof. The Tenant shall pay to the Landlord immediately upon demand any sum expended by, or assessed against, the Landlord as the result of a breach of the foregoing provision.

10. ASSIGNMENT AND SUBLETTING

Not to, without leave in writing first had and obtained, assign or sublet or part with the possession of the demised premises or any part thereof, such leave however not to be unreasonably or arbitrarily withheld by the Landlord provided however any consent by the Landlord to a transfer, assignment, subletting or parting with possession shall in no way discharge or release the Tenant from the full performance and observation of all the covenants, agreements, terms, provisos and conditions herein contained on the part of the Tenant to be performed and/or observed. Provided further however, any such consent shall not be deemed or implied as a consent to any further or subsequent assignment or subletting or otherwise. Any assignee or sublessee, with or without the Landlord's consent as aforesaid, shall be deemed to

have assumed this Lease together with the Tenant and shall thereafter be jointly and severally liable with the Tenant for the remainder of the term hereof for payment of all rent and other monies payable hereunder by the Tenant to the Landlord and for the due performance of all the terms, covenants, conditions and agreements herein contained on the Tenant's part to be performed.

In order to obtain the Landlord's consent as aforesaid, the Tenant must provide to the Landlord the following:

- (a) a notice from the Tenant of its intention to assign or sublease the demised premises;
- (b) general credit information on the proposed assignee or sublessee (including without limitation, financial statements and credit references), who shall be an experienced successful business person; and
- (c) an executed copy of the offer of assignment or sublease, as the case may be; and
- (d) payment to the Landlord of a non-refundable **THREE HUNDRED (\$300.00) DOLLAR** processing fee and a deposit of **FIVE HUNDRED (\$500.00) DOLLARS** towards all of the Landlord's costs, including without limitation all the Landlord's legal fees incurred with respect to such intended assignment or subletting (including without further limitation, the preparation of documentation relating to an assignment or subletting in a form satisfactory to the Landlord). Notwithstanding the foregoing and the payment of the said deposit, all costs to the Landlord respecting such intended assignment or subletting shall at all times be borne solely and exclusively by the Tenant.

Provided however and notwithstanding the foregoing and the terms hereof the Landlord may, within thirty (30) days of receipt of notice from the Tenant of its intention to pledge or sublease the demised premises, serve notice upon the Tenant of its intention to accept a surrender of this Lease of the demised premises and thereupon the Tenant shall surrender this Lease and the demised premises at the expiration of the time mentioned in such notice.

Provided further however that in the event that the Tenant shall agree to sublet the demised premises at less than the fair market rental value, and as a result thereof, the Landlord shall withhold its consent to such subletting, then the parties hereto agree that the Landlord shall not be found or deemed to have been unreasonable or arbitrary in withholding its consent.

Provided further however, in the event of such assigning or subletting all monies paid by the assignee or sublessee, as the case may be, shall be paid directly to the Landlord who shall credit such monies

as and when received to payments required and reserved hereunder. The Landlord shall be entitled to receive any excess of such monies over and above monies payable and reserved hereunder for its own use absolutely and forever and the collection or acceptance of such amounts shall not be deemed under any circumstances to be a waiver or alteration of any of the Landlord's rights under this Lease, including without limitation, under this Clause 10.

In the event of any assignment, subletting or other transfer, the Tenant and any guarantors of this Lease shall nonetheless remain jointly and severally liable (unless otherwise expressly stipulated to the contrary) to the Landlord for the fulfillment of all of the obligations of the Tenant pursuant to this Lease. The Landlord's consent shall not be effective unless given by the Landlord in writing and no such consent shall be deemed or presumed by any act or omission of the Landlord other than consent in writing.

In the event the Tenant is a corporation, or in the event the Tenant assigns, sublets or otherwise transfers any part of its interest herein to a corporation, then any transfer of the majority of the stock of the corporation during the term hereof, or the transfer, issuance or dividing of any capital stock of the corporation sufficient to transfer control of the corporation during the term hereof shall be deemed to be an assignment, subletting or other transfer requiring the written consent of the Landlord pursuant to this Clause 10 and shall be subject to all the consent provisions as hereinbefore set forth. The Landlord shall have access at all reasonable times during the term of this Lease, without limitation, to all books and records of the Tenant which indicate the shareholders of the Tenant and all share transfers.

11. PROTECTION OF PREMISES

At all times exercise and take reasonable precautions to protect the demised premises against fire and not keep or store, or suffer or permit to be kept or stored therein or thereupon any inflammable oils, substances or materials, or carry on any operation or work whereby any insurance on the demised premises may become void or voidable, or which would increase the rate for insuring the demised premises against fire or be contrary to any municipal bylaw. Provided however, in the event that the insurance rate shall be increased as aforesaid, the Tenant shall pay to the Landlord the amount by which the insurance premiums shall be so increased. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the said building or any part thereof shall be cancelled or refused to be renewed by an insurer by reason of the use or occupation of the demised premises or any part thereof by the Tenant or by

any assignee or subtenant of the Tenant or by anyone permitted by the Tenant to be upon the demised premises, the Tenant shall forthwith remedy or rectify such use or occupation upon being requested to do so in writing by the Landlord, and if the Tenant shall fail to do so forthwith, the Landlord may at its option terminate this Lease and the Tenant shall immediately deliver up possession of the demised premises to the Landlord.

12. CLEANING

Not to place, leave or permit or suffer to be placed, left in or upon the roads, parking lots, sidewalks and delivery areas forming part of the lands, any debris or refuse, and will at all times during the said term, at its cost and expense, keep the demised premises in a clean, wholesome and sanitary condition, free and clear of all waste paper and other substances which would be a nuisance or liable to occasion fire and will cause all dirt, rubbish, garbage and other refuse or matter on or about the demised premises to be carefully collected and deposited in containers provided by the Tenant and disposed of in a manner satisfactory to the Landlord.

13. REPAIR

To occupy the demised premises in a tenant-like manner and will not permit waste, and shall at all times during the continuance of this Lease at its sole cost and expense, properly, well and sufficiently replace, repair, maintain, amend and keep the demised premises with appurtenances (including but without restricting the generality of the foregoing, plate glass windows, signs, partitions, doors, heating system, air conditioning system, plumbing system, electrical service, ventilation system and sprinkler system) in good and substantial repair and all fixtures thereto belonging, or which at any time during the said term shall or may be erected and made by the Landlord and/or Tenant when, where and so often as need shall be (save and except only structural repairs and those damages by fire, steam, explosion, lightning and tempest and acts of God or the Queen's enemies for which the Landlord shall receive compensation from its insurers) and will at the expiration or earlier termination of this Lease yield up the demised premises in good and tenantable repair. In addition to and without limiting the generality of the foregoing, the Tenant shall keep all wiring, pipes and mechanical apparatus in and upon the demised premises in good and tenantable repair, and in the event of damage being done to the same, the Tenant shall forthwith repair such damage as well as any other damage to the demised premises caused thereby.

The Landlord may, by themselves or their agents, enter upon the demised premises and view the state of repair thereof and upon receiving notice in writing from the Landlord, their agent or agents specifying wherein the state of repair of the demised premises are unsatisfactory and requiring the Tenant within a reasonable time, which time shall be mentioned in the said notice to repair the same, will remedy and repair the same in accordance with such notice. In the event of the Tenant failing so to make such repairs required by such notice within the time mentioned therein, the Landlord may make such repairs and charge the cost thereof to the Tenant and such cost shall be added to the rent for the then current month and recovered by the Landlord in the same manner as rent in arrears.

14. OVERLOADING

The Tenant covenants not to bring upon the demised premises, or any part thereof, any machinery, equipment, article or thing that by reason of the weight, size or use thereof may damage the demised premises, the Landlord to be the sole and exclusive judge thereof.

15. INSPECTION OF PREMISES

To permit the Landlord or its agent or agents at all reasonable times during the said term, upon no less than twenty-four (24) hours' notice (save and except in the event of emergency) to enter upon the demised premises and view the state of repair thereof, and further that all want of reparation that upon such view shall be found, and for the repair of which notice in writing shall be left on the demised premises, the Tenant shall within one calendar month next after such notice well and sufficiently repair and make good same insofar as the Tenant is bound so to do. In furtherance of the foregoing, the Tenant shall provide the Landlord with a key to the demised premises and access codes for any security systems.

16. GLASS AND BURGLARY DAMAGE

To pay the cost of replacing any damaged plate or other glass in the windows and doors of the demised premises, and repairing any and all damages to the lands, building and demised premises resulting from burglary or attempt thereat respecting the demised premises, directly or indirectly, notwithstanding any other provisions hereof. Provided however, in the event the Tenant fails to replace such glass or commence repair of such damage within two (2) days of the date of written notice by the Landlord requiring such replacement or reparation and the Landlord then performs such replacement or repair (which shall at all times be at the Tenant's sole and exclusive cost) then, in addition, the Tenant shall be required to keep all plate glass and all doors and windows in the demised premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained, such insurance to be with an insurance company approved by the Landlord, the Landlord shall be a named insured thereunder and a copy of the policy shall be delivered to the Landlord. In the event the Tenant does not obtain insurance if required to do so under the terms of this Clause, the Landlord may obtain the same on the Tenant's behalf at its sole and exclusive cost, which shall be paid in full by the Tenant upon receipt of the Landlord's invoice therefor.

17. INDEMNIFICATION

To indemnify the Landlord from all liabilities, costs, damages, loss, fines, suits, claims, demands and actions or causes of actions of any kind or nature for which the Landlord shall or may become liable or suffer by reason of any breach, violation or nonperformance by the Tenant of any covenant,



agreement or proviso hereof, or by reason of any injury or death occasioned to or suffered by any person or persons or any property through any act, neglect or default by the Tenant or any of its agents, servants, employees or invitees; such indemnification in respect of any such breach, violation or nonperformance, damage to property, injury or death occurring during the term of this Lease shall survive any termination of this Lease, notwithstanding anything to the contrary.

18. LANDLORD RELEASED FROM LIABILITY

Unless caused by willful negligence of the Landlord, its agents or contractors, the Landlord shall not be liable or responsible for any personal or consequential injury of any nature whatsoever that may be sustained by any persons, or for any loss of or damage to any property at any time in the demised premises in the building or on the lands, or for any loss to the business of the Tenant caused directly or indirectly by any latent or other defect in the demised premises and the fixtures thereto belonging or to the building or to the lands, or by reason of the interruption of any public utility or service, or from or by steam, electricity, gas, water, rain or snow which may leak into, issue or flow from any part of the lands or the building or from the pipes, wires or plumbing works of the same or from any other place or quarter, or from or by any other reason, matter or cause whatsoever.

19. INSURANCE

During the entire term hereof to maintain and keep in full force and effect a policy of general, public liability and property damage insurance protecting and indemnifying the Tenant and the Landlord against any and all claims for injury or damage to person or property or for loss of life occurring upon, in or about the demised premises, such insurance to offer immediate protection in the limit of not less than **THREE MILLION (\$3,000,000.00) DOLLARS**. The policy shall contain, without limitation, a waiver of subrogation clause respecting the Landlord (or alternatively the Landlord shall be a named insured thereunder) and a clause providing that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days' prior written notice thereof. The insurance shall be with an insurance company approved by the Landlord and a certified copy of the policy of insurance shall be delivered to the Landlord prior to the commencement of the term hereof.

20. COMPLIANCE WITH LAWS

To comply as far as it is liable to as Tenant, with all the requirements and the laws and ordinances of or in force in Canada or the Province of Alberta, or of any municipal by-law with regard to the protecting and proper adjustment of all electrical, gas lighting, heating and other fittings, machinery or appliances, furniture or furnishings and will protect and otherwise guard against danger of fire or explosion by reason of the use thereof by complying with the requirements of the said laws and ordinances and by-laws in respect of the maintenance and use thereof and of all exits and entrances or other lawful requirements.

21. UTILITIES AND LICENSES

To pay when the same shall become due and payable all license fees, charges for garbage removal, janitorial services, maintenance, electric current, heat, water, sewer and telephone and other similar charges and fees of any nature whatsoever which may be assessed or charged against or in respect of the demised premises or the occupancy thereof during the said term. The Tenant shall pay for those of its own utilities of every nature which shall be separately metered to the demised premises and shall enter into contracts respecting the supply of the same the earlier of either the date of occupancy of the demised premises by the Tenant or the term commencement date. In addition, the Landlord shall be entitled to assess upon the Tenant a greater burden of any of the aforesaid charges where, in the reasonable opinion of the Landlord, the consumption of any of the aforesaid charges is heavier in the demised premises by reason of the business carried on by the Tenant from the demised premises.

22. TAXES

To pay all government levied, legislated or placed taxes, value added taxes, sales taxes and goods and services taxes charged or assessed respecting the demised premises, or the business carried on therein, or the revenue or the income to be derived by the Landlord from the demised premises, or the subject tenancy, as well as to pay all business taxes, all occupancy permit fees and any other similar rates and taxes which may be levied or imposed upon the demised premises, the gross rentals derived therefrom, or the business carried on therein, and also all other rates and taxes which are or may be payable by the Tenant as tenant and occupant thereof; provided however, if by law, regulation or otherwise, government levied, legislated or placed taxes, business taxes, sales taxes, goods and services taxes, value added taxes or other

similar rates and taxes are made payable by landlords or proprietors, or if the mode of collecting such taxes be so altered as to make the Landlord liable therefor instead of the Tenant, the Tenant shall pay to the Landlord forthwith upon demand the amount of the said charges or taxes imposed on the Landlord as a result of such change.

23. OCCUPANCY COSTS

To pay, as additional rent hereunder during each calendar year or portion thereof, its proportionate share of all occupancy costs as hereinafter defined, as shall be estimated by the Landlord from time to time, in equal monthly installments in advance (provided however payments of such estimated occupancy costs shall be adjusted annually as hereinafter provided). The occupancy costs as referred to herein shall be and consist of all charges, costs and expenses in respect of the demised premises, the building and the lands in each calendar year during the said term, including without limitation:

- (a) Real property, local improvement and school taxes, rates and charges, charged, levied or rated by any competent authority and the cost of all appeals against increased assessments for the purpose of such taxes, rates and charges;
- (b) Government levied, legislated or placed taxes or charges, sales taxes, goods and services taxes and value added taxes which may be charged, levied or rated by any competent authority (and the cost of all appeals) respecting the revenue or rental or income derived by the Landlord from this lease of the demised premises, or the subject tenancy, or its ownership of the lands or building of which the demised premises form a part, save and except only the Landlord's own income taxes;
- (c) Insurance premiums, including but not limited to fire, extended coverage, liability, rental, business interruption, workmen's compensation and other insurance carried in good faith by the Landlord. (Provided however that the building will be insured for full replacement value);
- (d) The cost of all repairs, all replacements and all maintenance (excluding only structural repairs) and all repairs, all replacements and all costs of servicing and maintaining all heating, air-conditioning, plumbing, sprinkler, electrical and other systems machinery or equipment.  
(For the purposes of this Lease "structural repairs" shall include only structural repairs to perimeter walls, bearing structure and the foundation of the building);

- (e) The cost, if any, to the Landlord of cleaning, removing snow and garbage from, servicing, maintaining, operating and repairing, replacing and supervising the lands, including without limitation the sidewalks and the parking lot surrounding the building of which the demised premises forms a part, and the cost of all supplies, labour, wages and fees to contractors relating thereto;
- (f)
  - (i) the cost, if any, to the Landlord for any utilities whatsoever required for the building or the lands, plus
  - (ii) the cost, if any, to the Landlord for the Landlord's share of fuel, electricity and water consumption in the building and to the lands, including without limitation, electrical consumption for any outside lighting or electrical outlets of the building, plus
  - (iii) the salaries, wages and/or payments payable with respect to the said year by the Landlord to janitors, caretakers and other employees of the Landlord and its agents employed in the management, care, maintenance, cleaning and operation of the building (inclusive without limitation of the common areas), and charges of any contractor employed in the management, care, maintenance, cleaning or operation of the lands and the building, plus
  - (iv) the cost, if any, to the Landlord of supplies and materials required for and used in the management, care, maintenance, cleaning and operation of the lands and the building; and
- (g) a management and administration fee levied by, and payable to, the Landlord of fifteen (15%) per cent upon all expenditures made with respect to all the occupancy costs except this administration fee.

That portion payable by the Tenant of the occupancy costs as herein defined (with the exception of the costs referred to in sub-clause (g) above) shall be that portion thereof as the total floor area of the demised premises shall bear to the total rentable area of all demised premises in the building.

The Landlord shall furnish to the Tenant ninety (90) days following its fiscal year-end of each year during the term hereof and on or before ninety (90) days following the expiration, or earlier termination of the term of this Lease, a statement of annual occupancy costs during the immediately preceding calendar year or portion thereof during which occupancy costs are payable by the Tenant, such statement to be certified correct by a responsible officer of the Landlord. Within ten (10) days after delivery of such statement, the Landlord or the Tenant (as the case may be) shall make the appropriate adjustment payment in the amount of the differences between the total monthly occupancy costs actually paid by the

Tenant during the preceding calendar year or portion thereof and the actual occupancy costs that should have been paid on the basis of the occupancy costs set out in such statement.

Notwithstanding anything to the contrary hereinbefore contained, on one occasion during each lease year of the term the Tenant will within fourteen (14) days of receipt of a written request given by the Landlord at such time as shall be determined by the Landlord in its sole and absolute discretion, prepay the Tenant's proportionate share of the real property taxes for the entire lease year or balance thereof, as the case may be, as shall be estimated by the Landlord.

24. PARTITIONS, ALTERATIONS AND IMPROVEMENTS

Not to affix or erect partitions, counters or fixtures in or on any part of the walls, floor or ceiling of the demised premises and not to make alterations, decorations, additions, improvements, repairs or replacements to or about the demised premises and do no work in such connection in, to, or about the demised premises nor contract for or employ any labour in connection with the maintenance or servicing of the demised premises, in all cases without the written consent of the Landlord being first had and obtained, if in excess of **Fifteen hundred DOLLARS (\$1,500.00)** and then only at the Tenant's sole and exclusive cost and expense and by a contractor approved of by the Landlord, which consent and approval shall not be unreasonably or arbitrarily withheld. The Landlord's consent and approval shall not, under any circumstances be construed or deemed as a consent by the Landlord to having its estate charged with the cost of such work. Notwithstanding anything contained herein, at the Landlord's option, the Tenant shall, at its sole and exclusive use, at the expiration, or earlier termination of the term of this Lease, remove all such alterations, decorations, additions, improvements, repairs or replacements, or any part or parts thereof as required by the Landlord.

25. LIENS

Not to suffer or permit during the said term any Builders' or other liens for work, labour, services or material ordered by the Tenant or for the cost of which the Tenant may in any way be obligated, to attach to the demised premises or any portion thereof, or to any improvements erected upon same, and that whenever and so often, if ever, as any such lien or liens shall be filed or shall attach, the Tenant will within

ninety (90) days thereafter either pay the same or procure the discharge thereof by giving security or in such other manner as is or may be required or permitted by law.

26. EXTERIOR SIGNS

Without the Landlord's prior written consent being first had and obtained, the Tenant shall not affix, inscribe or paint and not cause to be affixed or inscribed or painted on any of the windows or doors of the demised premises or on any part of the exterior of the building, any sign, advertisement, fixture or notice, including without limitation any sign, advertisement, fixture or notice respecting any intended assignment, subletting or otherwise. The Tenant on ceasing to be the Tenant of the demised premises will, before leaving them, cause any sign, advertisement, fixture or notice as aforesaid to be removed or obliterated at its own expense and in good and workmanlike manner, and shall repair any damage to the demised premises or to the building caused by any such removal or obliteration or pay the cost of such repair to the Landlord. In the event any sign, advertisement, fixture or notice shall be affixed or exposed without the consent of the Landlord, then the Landlord, at the expense of the Tenant, shall be at liberty to remove or obliterate such sign, advertisement, fixture or notice and for such purpose if necessary, the Landlord by its servants or agents may enter upon the demised premises. Notwithstanding any consent which may be given by the Landlord, the Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from any and all claims made by any person or property as a result of the installation, existence or otherwise, of the said signs, advertisements, fixtures or notices or any of them.

If the City of Calgary permits, the Tenant, at its expense may install a 3' x 12' sign can the north side of the building.

27. SALE AND RENT SIGNS

To permit the Landlord to place on the lands and the building at any time during the term hereof a notice that the lands and the building are for sale, and during the last six (6) months of the term hereof, place on the lands, the building and the demised premises, or any part or parts thereof, a notice that the demised premises or any part thereof are for rent, and the Tenant shall not remove any such notices or permit the same to be removed, and the Tenant will at reasonable hours and from time to time permit the Landlord to exhibit the demised premises to any prospective purchaser or tenant.

28. SIDEWALKS AND PARKING AREAS

Notwithstanding that the Landlord may perform snow removal as part of the occupancy costs, to keep the sidewalks in front of the demised premises, and any portion of the lands demised hereby and any exclusive parking areas, free and clear of snow, ice and other obstructions according to municipal by-law and be responsible for any infraction thereof and for any loss suffered by the Landlord as a result of any breach thereof by the Tenant.

29. HEAT

At all times to keep the demised premises properly and sufficiently heated to prevent damage thereto or to anything thereon or therein and maintain service contracts for the heating apparatus with such experts as shall be first approved in writing by the Landlord, such service contracts to provide no less than semi-annual service, and proof of such service shall be given to the Landlord upon request. In the event that the heating apparatus or any part thereof used in effecting the heating of the demised premises at any time becomes incapable of heating the demised premises or be damaged or destroyed, the Tenant shall replace and repair the said apparatus within a reasonable period of time. It is agreed between the parties hereto that the Landlord shall not in any event be liable for any damage, whether direct, indirect or consequential, resulting from the failure of heat, nor shall the Landlord be liable for any damage resulting from personal discomfort or illness arising from failure of that heating apparatus as aforesaid or otherwise and the Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from any and all claims for damages made by any person as a result of the failure of heat as aforesaid.

30. SUBORDINATION OF LEASE AND ESTOPPEL CERTIFICATES

This Lease is subject and subordinate to any mortgage or deed of trust which may now or may at any time hereafter affect the building and the lands, or upon any other building hereafter placed upon the lands, and this Lease shall also be subject and subordinate to all renewals, modifications, consolidations, replacements and extension of any such mortgage or deed of trust. This subordination of this Lease by the Tenant is subject to the condition that such future mortgagees and future encumbrancees, as the case may be, shall permit the Tenant to remain in occupation of the demised premises pursuant to the terms of this Lease in

the event of default by the Landlord under the said future mortgage or future encumbrance. Further the Tenant shall promptly, whenever requested by the Landlord from time to time, execute and deliver to the Landlord (and if required by the Landlord, to any other person, including without limitation any mortgagee or trustee under a trust deed or trust indenture designated by the Landlord), any postponement of this Lease required by the Landlord, as well as a certificate in writing as to the status of this Lease, including as to whether it is in full force and effect, is modified or unmodified, confirming the rent payable hereunder and the state of the accounts between the Landlord and the Tenant, the existence or non-existence of defaults and any other matters pertaining to this Lease as to which the Landlord shall request a certificate, which certificate shall be substantially in the form of Schedule "A" attached hereto and forming part hereof. Provided however, if the Tenant is requested by the Landlord to execute any such instruments (including any certificate in the form of Schedule "A" hereto) to carry out the intent of this paragraph, and fails to do so within five (5) days of notice so to do, then the Landlord is hereby authorized and appointed the attorney of the Tenant to execute any such postponement agreement on its behalf. Any instrument so executed by the Landlord shall be sufficient and any person who the Landlord has advised the Tenant by notice shall intend to rely upon such instrument need not inquire whether a request or demand had been made of the Tenant for its execution and any instrument so executed shall be final and binding upon the Tenant.

31. RULES

To faithfully observe and comply with the Rules and Regulations as set out in Schedule "B" hereto annexed and such further reasonable rules and regulations as the Landlord hereafter at any time or from time to time may make and communicate in writing to the Tenant, which in the judgment of the Landlord shall be necessary for the reputation, safety, care or appearance of the building or the preservation of good order therein, or the operation or maintenance of the building or the equipment thereof, or the comfort of the tenants or other occupants of the building.

32. EXEMPTION RE DISTRESS

The Tenant waives and renounces the benefit of any present or future act of the Legislature of Alberta taking away or limiting the Landlord's right of distress, and notwithstanding any such Act, the



Landlord may seize upon and sell all the Tenant's goods and chattels for payment of rent and costs as might have been done if such Act had not been passed.

33. DISTRESS AWAY FROM DEMISED PREMISES

The Tenant further covenants that if it leaves the demised premises leaving any rent owing under this Lease unpaid, the Landlord, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Tenant at any place to which the Tenant or any other person may have removed them, in the same manner as if such goods and chattels had remained, and been distrained, upon the demised premises.

34. AMENDMENTS TO LEASE

If any holder of any Mortgage or Mortgages or any charge resulting from any other method of financing or refinancing, declaration of trust, debenture issue or any other such method of financing or refinancing now or hereafter in force against the building and the lands or upon any other buildings hereinbefore described and the lands or upon any other lands shall at any time require any change not of a substantial nature in any of the terms, covenants and provisions of this Lease the Tenant hereby covenants to make such modification of this Lease to comply with the requirements of such party; provided always that there is no increase in the rent or other monies to be paid hereunder, no increase in the length of the term hereby created and that such modifications will not involve alterations of substance in the covenants and agreements herein contained.

35. APPLICATION OF MONIES AND POST-DATED CHEQUES

The Tenant hereby covenants that all payments by the Tenant under the terms of this Lease, whether in respect of base minimum yearly rental or additional rent or otherwise, may be applied by the Landlord towards payment of any other monies due and payable by the Tenant to the Landlord at the date of such payment irrespective of the purpose for which such payment by the Tenant was tendered.

Further, on or before the commencement of the term hereof and on or before every succeeding anniversary date thereof, the Tenant shall deliver to the Landlord a series of twelve (12) monthly post-dated cheques, each in an amount equal to all rent and additional rent payable hereunder as solely and

exclusively determined by the Landlord. The Tenant further shall pay promptly within thirty (30) days of the date of being billed therefor, any amounts due under the terms of this Lease whether or not specifically covered by the aforesaid post-dated cheques or otherwise.

36. TENANT IMPROVEMENTS

As part of the costs of leasing the demised premises from the Landlord and obtaining execution of this Lease, the Tenant shall perform those renovations and supply and install those fixtures in accordance with Schedule "C" attached hereto and forming part hereof (the "Tenant Improvements").

THE LANDLORD HEREBY COVENANTS WITH THE TENANT AS FOLLOWS:

37. PEACEFUL POSSESSION

The Tenant, upon paying the rent hereinbefore reserved at the time and in the manner aforesaid, and upon keeping and performing each and every covenant, agreement, term, provision and condition herein contained, shall and may from time to time and at all times during the said term peaceably and quietly enjoy the demised premises hereby demised without molestation or hindrance by the Landlord or by any other person lawfully claiming the same, subject to the mortgages or deeds of trust to which this Lease is subject and subordinate.

38. COMMON AREAS

The Tenant, its employees, customers, agents, invitees, licensees, or otherwise shall throughout the said term have the privilege of using in common with other persons entitled thereto all those portions of the lands not covered by buildings and being designated from time to time by the Landlord as parking areas, sidewalks, driveways and landscaped areas (hereinafter called "the common areas"); provided however the Landlord reserves the right at any time during the said term without notice to the Tenant to take possession of all or any portion of the common areas for any purpose whatsoever. Provided further however, for the good and welfare of all persons entitled to use the common areas the Landlord expressly reserves the right to promulgate rules and regulations relating to the use thereof and such rules and regulations shall be binding upon the Tenant, upon the Landlord giving notice thereof to the Tenant, or by the posting of the same

in a conspicuous place in the confines of the common areas or by the delivery of a copy of the same to the Tenant.

39. TAXES

To pay all taxes, assessments, charges and rates, municipal, legislative or otherwise assessed against the demised premises except such taxes, charges and rates or increases as the Tenant is specifically obligated to pay hereunder and any value added taxes or sales taxes on the revenue derived from the demised premises, which shall be paid solely and exclusively by the Tenant, notwithstanding that the Landlord may be responsible for the same.

40. INSURANCE

Throughout the term of this Lease, to take out and keep in full force and effect on the building against fire and other perils normally included in extended coverage endorsements for the full insurable value thereof.

41. LANDLORD IMPROVEMENTS

The Landlord does not in the ordinary course provide any improvements to the demised premises, prior to, at, or after the term commencement date. However, as part of the costs of leasing the demised premises to the Tenant and obtaining execution of this Lease, the Landlord shall perform those improvements in accordance with Schedule "D" attached hereto and forming part hereof on or about the term commencement date (the "Landlord Improvements").

THE LANDLORD AND THE TENANT HEREBY COVENANT WITH EACH OTHER AS FOLLOWS:

42. FORFEITURE

If and whenever the rent hereby reserved or any part thereof, or any other payment due under this Lease, shall be unpaid for seven (7) days after any of the days on which the same should have been paid, although no formal demand shall have been made therefor, or in case of the breach or non-performance of any of the covenants, terms, provisos or conditions in this Lease mentioned, then and in every such case it

shall and will be lawful for the Landlord at any time and from time to time thereafter, notwithstanding any former breach or non-performance or any waiver of the Landlord's rights arising therefrom in, to re-enter the demised premises or any part thereof in the name of the whole, and the same to have again, repossess and enjoy as of its former state, anything herein contained to the contrary notwithstanding. This provisos shall extend and apply to all covenants, terms, provisos or conditions hereinbefore or hereinafter contained, whether positive or negative on the part of the Tenant to be observed or performed. Provided further however, no act of the Landlord of any nature or kind shall at any time during the currency of this Lease or renewal thereof be deemed to be a waiver of any of the rights of the Landlord.

43. ABANDONED PREMISES

In the event that the demised premises during the term shall be left or become vacant and the Tenant shall fail to make payment of rent the Landlord, its agent or agents, may re-enter upon the same and for the purpose of any re-entry under this Clause or any other provision of this Lease, it shall and may be lawful for the Landlord, by itself or its servant or servants and with such assistant or assistants as it may require for that purpose to break and force open any doors, locks, bars, bolts, fastenings and hinges.

44. SEIZURE OF CHATTELS AND INSOLVENCY

If the term hereby granted or the goods and chattels (or any part or parts thereof) of the Tenant on the demised premises liable to distress shall during the term be seized or taken in execution or in attachment, or if the Tenant shall become insolvent or make an assignment for the benefit of creditors, or if the Tenant shall be placed in receivership, by court appointment or otherwise, or if any steps are taken or any action or proceedings are instituted by the Tenant or any other party for the dissolution, winding up or liquidation of the Tenant or its assets, or if the Tenant makes a sale in bulk, or in the case of the demised premises or any part thereof shall be used for any other purpose than is herein provided, without the prior written consent of the Landlord, then upon any one of the aforesaid events occurring at any time and from time to time, the Landlord may at its option cancel this Lease, whereupon this Lease shall cease and determine and be void and the term hereby created expire and be at an end and the then current month's installment of base minimum yearly rental and additional rent and three (3) additional months of installments

of base minimum yearly rental and additional rent shall thereupon become immediately due and payable and the term shall at the option of the Landlord be forfeited.

45. LANDLORD'S RIGHT ON RE-ENTRY OR TERMINATION

If the Landlord shall re-enter or if this Lease shall be terminated as herein provided, or if the Tenant shall abandon the demised premises or surrender possession without the express written consent of the Landlord, then:

- (a) no act of the Landlord shall operate as an acceptance of surrender or shall operate as an extinguishment of the remedies of the Landlord, as herein provided or otherwise, by operation of law or otherwise; and
- (b) rent shall immediately become due and be paid up to the time of such re-entry or termination together with the reasonable expenses of the Landlord as hereinafter defined; and
- (c) the Landlord may re-let the demised premises or any part thereof either in the name of the Landlord or otherwise, as agent of the Tenant and the Tenant does hereby expressly constitute and appoint the Landlord as its agent for such purpose, for a term or terms which may, if the Landlord chooses, be less or greater than the balance of the term of this Lease and the Landlord may grant all reasonable concessions in connection therewith; and
- (d) the Landlord may, at its option and in addition to any other remedy (save and except as set forth in sub-paragraph (g) below) it may have, require that the Tenant pay to the Landlord as liquidated damages for the failure of the Tenant to observe and perform the covenants of this Lease, monthly on the first day of each month following such re-entry or termination and until the expiration of the period that would otherwise have constituted the balance of the term of this Lease, any deficiency between:
  - (i) the sum of the monthly rent payable hereunder; and
  - (ii) the net amount of any rents collected on account of the Lease of the demised premises for each month of the period which would otherwise have constituted the balance of the term; and
- (e) the Tenant shall pay to the Landlord on demand such reasonable expenses as the Landlord may incur in re-letting the demised premises, including legal costs, solicitors' fees (on a solicitor and his own

client basis) and brokerage, alterations and decoration and the expense of keeping the demised premises for re-letting; and

- (f) the making of any alterations or decoration in the demised premises which the Landlord considers advisable and necessary for the purpose of re-letting them, shall not operate or be construed to release the Tenant from liability hereunder; and
- (g) the Landlord may, at its option and in addition to any other remedy (save and except as set forth in sub-paragraph (d) above) it may have, require that the Tenant pay forthwith to the Landlord as liquidated damages for the default of the Tenant in the observance and performance of the covenants under this Lease, all rent (including without limitation all base minimum yearly rentals and all additional payments, as such rent payments are solely and exclusively estimated by the Landlord) reserved to be paid and remaining unpaid by the Tenant under this Lease from the date of default by the Tenant to and including the expiration of the term of this Lease and in addition, without limitation, the Landlord may distrain for all such accelerated rent. The total sum of all monies payable by the Tenant pursuant to the provisions of sub-paragraph (g) of this Clause shall be divided by the number of months remaining in the unexpired portion of the term of this Lease immediately prior to the date of such default by the Tenant, and to the extent any monthly income actually received by the Landlord with respect to any re-rental of the demised premises exceeds the quotient as obtained, such excess shall be the sole property of the Landlord as liquidated damages for such default by the Tenant.

Notwithstanding anything to the contrary herein contained, acceptance of the surrender of this Lease shall not be effective unless made in writing and signed by the Landlord. No act of the Landlord shall operate as an acceptance of surrender or shall operate as an extinguishment of the remedies of the Landlord as herein provided or otherwise, by operation of the law or otherwise.

46. ALTERATIONS BY THE LANDLORD

The Landlord shall be at liberty at any time during the term hereby granted to make such changes, alterations, additions or improvements in or to the building and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages and stairways thereof as may be necessary or desirable, provided however that there will be no unreasonable obstruction of the right of access to the demised premises or unreasonable interference with the use of the demised premises.

47. TENANT'S FIXTURES

All fixtures, improvements and appurtenances attached to or built into the demised premises at the commencement or during the term, whether by the Landlord at its own expense or at the expense of the Tenant or by the Tenant, (the "Fixtures") shall be and remain part of the demised premises and shall not be removed by the Tenant at the end of the term unless otherwise expressly provided in this Lease. The Tenant may install its usual business and trade fixtures in the usual manner in the demised premises, provided such installation does not damage the demised premises or the building, are identified as such by the Tenant prior to such installation and that the Tenant shall have submitted to the Landlord plans and specifications for such business and trade fixtures and obtained the prior written consent of the Landlord thereto, which consent shall not be unreasonably withheld. All such prior identified business and trade fixtures owned or installed by the Tenant in or on the demised premises shall remain the property of the Tenant and shall be removed by the Tenant at the expiration of the term or any renewal thereof or at the sooner termination thereof, provided that the Tenant at its expense shall repair any damage to the demised premises, the building and the lands caused by such removal. Such removal by the Tenant of its business and trade fixtures as aforesaid shall only be permitted provided that the Tenant is not in default under any covenant or agreement contained herein at the time of such removal, and if in default, the Landlord shall have a lien on the Tenant's business and trade fixtures as security against loss or damage resulting from any such default by the Tenant and the Tenant's business and trade fixtures shall not be removed by the Tenant until such default is cured, unless otherwise directed by the Landlord. Notwithstanding the foregoing, the Landlord may elect to require the Tenant to remove all or any part of any Fixtures and the business and trade fixtures owned or installed by or on behalf of the Tenant at the expiration or termination of the term or any renewal thereof, in which event such removal shall be done at the Tenant's expense and the Tenant shall, at its expense, repair any damage to the demised

premises, the building and the lands caused by such removal. If the Tenant does not remove the Fixtures and/or its business and trade fixtures forthwith after written demand by the Landlord, such property shall, if the Landlord elects, be deemed to become (as to part or the whole thereof) the Landlord's property or the Landlord may remove the same (as to part or the whole thereof) at the expense of the Tenant and the cost of such removal shall be paid by the Tenant forthwith to the Landlord on written demand, and the Landlord shall not be responsible for any loss or damage to such property as a result of such removal.

48. LIABILITY AND INDEMNITY OF LANDLORD

- (a) Neither the Landlord nor its agents shall be liable for any loss, injury or damage caused to vehicles or their contents, or for the loss of any property by theft or otherwise, and all property kept or stored in the demised premises, the building, the lands and the common areas or any part or parts thereof, shall be at all times at the risk of the Tenant and not the Landlord.
- (b) The Landlord and its agents shall not be liable for any loss, injury or damage to persons or property resulting from falling plaster, steam, electricity, water, rain, snow or dampness, or from any other cause whatsoever. The Landlord and its agents shall not be liable for any loss or damage caused by acts or omissions of other tenants or occupants, their employees or agents, or of any persons not the employees or agents of the Landlord, or for damage caused by the construction of any public or quasi-public works, and in no event shall the Landlord be liable for any consequential or indirect damages suffered by the Tenant or any other person.
- (c) The Tenant hereby protects, indemnifies and covenants to save the Landlord absolutely harmless from and against all liability, claims, damages or expenses due to or arising out of any act or neglect by the Tenant or its servants, employees, agents, customers, invitees or licensees on and about the demised premises, the building, the lands and the common areas or due to or arising out of any breach by the Tenant of any provision of this Lease, including liability for injury or damages to the persons or property of the Tenant's servants, employees, agents, customers, invitees or licensees.

49. FIRE



If during the term hereby demised or any renewal thereof the demised premises or the building or any part or parts thereof shall be damaged by fire, steam, explosion, lightning, tempest, or acts of God or the Queen's enemies or other such casualty, then the following provisions shall have effect:

- (a) In the event that the building shall be so badly injured as to be unfit for occupancy and be incapable of being repaired with reasonable diligence within two hundred seventy (270) days of the happening of such injury, then the term hereby granted shall cease and be at an end for all intent and purposes from the date of such damage or destruction and the Tenant shall immediately surrender the same and yield up possession of the demised premises to the Landlord, and no rent shall be payable from the time of such surrender;
- (b) In the event that the demised premises shall be capable, with reasonable diligence, of being repaired and rendered fit for occupancy within two hundred seventy (270) days from the happening of such injury as aforesaid and should the damage be such as to render the demised premises wholly unfit for occupancy during the process of such repairs, then the rent hereby reserved shall not run or accrue after such injury, or while such repairs are in progress and the Landlord shall repair the same with all reasonable diligence and the rental shall re-commence immediately after such repairs shall be completed;
- (c) In the event that the demised premises can be repaired within two hundred seventy (270) days as aforesaid, and if the damage is such that the demised premises are capable of being partially used, then until such damage shall have been repaired the rent shall abate in the proportion that the part of the demised premises rendered unfit for occupancy bears to the whole of the demised premises, and the amount of the abatement shall, in the event the Landlord and the Tenant are unable to agree upon the same, be determined by arbitration in accordance with the said Arbitration Act;
- (d) If the building shall, in the sole and exclusive opinion of the Landlord, be damaged to the extent that greater than Fifty (50%) per cent of the building requires repair or reconstruction (and whether or not there shall be any damage to the demised premises) then, at the Landlord's option exercisable upon written notice to the Tenant, the said term hereby granted shall cease and be at an end for all intents and purposes from the date of such damage or destruction, and the Tenant shall surrender and yield up possession of the demised premises to the Landlord in accordance with the said notice and the rent shall be adjusted to the time of such surrender;

- (e) If during the said term the building or the demised premises are destroyed or damaged by fire, steam, explosion, lightning, tempest, or acts of God or the Queen's enemies, or other such casualty so as to render the same wholly unfit for occupancy and this Lease shall be determined in accordance with the preceding paragraphs, the Tenant shall, at the option of the Landlord exercisable upon written notice to the Tenant, forthwith remove from the demised premises all goods, merchandise, fixtures, machinery, fittings and other chattels or the ruins or remains thereof, or any part or parts thereof, or pay the Landlord the cost of such removal; and in the event of the demised premises being only partially damaged or destroyed and it being possible to repair the same within the period aforesaid, the Tenant shall remove its goods, merchandise, fixtures, machinery, fittings and other chattels or the ruins or remains thereof, or any part or parts thereof, as far as is necessary to enable the Landlord to proceed expeditiously with the carrying out of the repairs.

Provided however, if any such damage is due to the negligence or overt acts of the Tenant or its agents or servants then notwithstanding anything to the contrary herein contained the cost to repair such damage, whether such damage is repaired or not, shall be paid by the Tenant and there shall be no abatement of rent.

50. LANDLORD'S RIGHT TO PAY TENANT'S OBLIGATIONS

If the Tenant fails to pay any charges which it has herein covenanted to pay, the Landlord may pay them and charge the sums paid, together with an administration fee of twenty-five (25%) per cent thereof, to the Tenant who shall pay them forthwith on demand; and the Landlord, in addition to any other rights shall have the same remedies and may take the same steps for the recovery of all such sums as if they were rent in arrears. All arrears of rent, sums paid or expenses incurred by the Landlord, which ought to have been paid or incurred by the Tenant or for which the Landlord is entitled hereunder to reimbursement from the Tenant, together with a fee of twenty-five (25%) per cent thereof, shall all bear interest monthly at the rate of twenty-four (24%) percent per annum from the date the same became due or was spent or incurred, as the case may be, until the date of payment or repayment.

51. PROFESSIONAL FEES

If the Landlord at any time is compelled or elects to incur any expense whatsoever, including any professional fees of any nature whatsoever related to any matter or thing whatsoever respecting this Lease or any renewals hereof, including without limitation, in obtaining the approval of the Landlord's architects or engineers respecting improvements or alterations to the demised premises by the Tenant, in appealing any tax assessment levied by municipalities or other governmental bodies, or in instituting, prosecuting or defending any action or proceeding based upon any default of the Tenant under this Lease (including any action or proceedings against the Tenant), including without limitation, any legal fees on a solicitor and his own client basis paid, or payable, by the Landlord, then such expenses together with all interest and damages shall be payable by the Tenant on demand as additional rent.

52. OVERHOLDING TENANT

In the event of the Tenant holding over beyond the term hereby granted, with or without the consent of the Landlord and without any further written agreement, the tenancy resulting shall be a monthly tenancy only at a monthly rental calculated at one and one half (1 & 1/2) times the greatest base minimum yearly rental payable by the Tenant during the currency of this Lease, including any renewals hereof; and the Tenant shall pay all additional rental payable hereunder on a monthly basis as estimated by the Landlord, including without limitation, the Tenant's proportionate share of all other sums which by the terms hereof are deemed to be rent or arise to be payable by the Tenant, and subject to termination at the election of the Landlord or the Tenant upon one (1) month's notice in writing, and subject also to the terms, conditions and covenants herein set out so far as the same are applicable to a tenancy from month to month, it being understood that the acceptance of rent or any implied condition in no way renews this Lease as a yearly tenancy.

53. IMPOSSIBILITY OF PERFORMANCE

Whenever and to the extent that the Landlord shall be unable to fulfil any obligation hereunder for the supply or provision of any service or utility or the doing of any work or the making of any repairs because it is unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board, or any government department or officer or other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control, whereby of the foregoing character or not, the Landlord shall be relieved from the fulfillment of such obligation, or alternatively to exclusively extend any time periods for the fulfillment of such obligation, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby caused.

54. LANDLORD

The term "Landlord" as used herein shall be deemed to mean only the owner for the time being of the lands and building so that in the event of any sale or sales, the Landlord shall be and is hereby relieved of all covenants and obligations of the Landlord hereunder and it shall be deemed and construed

without further agreement between the parties, or their successors in interest, or between the parties and the purchaser at any such sale, that the purchaser has assumed and agreed to carry out any and all of the covenants and obligations of the Landlord hereunder to the Landlord's exoneration.

55. NOTICES

Any notice, statement or request herein requested or permitted to be given by either party to the other shall be in writing, and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the party giving the notice and may be mailed by registered prepaid post, or delivered, in the case of the Landlord to it or its agent at the address at which rental payments due hereunder are then being made, and in the case of the Tenant, to it addressed to the demised premises with a copy to or as either party in writing may direct. Any such notice given as aforesaid shall be conclusively deemed to have been given and received, if delivered, on the date of such delivery, or if mailed, forty-eight (48) hours after such mailing. In the event of existing or impending postal interruption affecting either of the parties hereto, any such notice, statement or request shall be delivered to the addresses as hereinbefore set forth rather than mailed as aforesaid.

56. NO REGISTRATION

The Tenant shall have the right only to file a Notice of this Lease or Caveat respecting this Lease in the appropriate Land Titles Office in which the lands are situate and under no circumstances whatsoever shall file or register this Lease at the said Land Titles Office or elsewhere, this Lease being a confidential document between the Landlord and the Tenant. Accordingly, the Tenant shall make no use whatsoever of this Lease or any provision hereof or information delivered to the Tenant, save and except only in connection with the tenancy created hereunder.

57. TIME OF ESSENCE

Time shall be of the essence of this Lease save as herein otherwise expressly specified.

58. CAPTIONS

The captions appearing in this Lease have been inserted as a matter of convenience and for reference only, and in no way define, limit or enlarge the scope or meaning of this Lease, nor of any provision hereof.

59. TERMS, COVENANTS AND CONDITIONS INVALID

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease or application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant or condition of this Lease not invalid or unenforceable shall be valid and enforceable to the fullest extent permitted by law.

60. GOVERNMENTAL REGULATIONS

The Tenant shall abide by all laws, by-laws, legislative and regulatory requirements of any governmental or other competent authority relating to the business conducted on the demised premises and shall indemnify, protect and save the Landlord harmless from all costs or charges incidental thereto, or damages or penalties by reason of breach thereof.

61. FIRE REGULATIONS

The Tenant shall not store or bring on the demised premises any articles of an inflammable, combustible or dangerous nature and shall at all times keep the demised premises in such condition as to comply with the regulations and requirements of any appropriate fire underwriter's association and of the fire department of local and competent jurisdiction. The Tenant shall keep and maintain on the demised premises all safety applications required by any authority for the use of the demised premises. The Tenant shall not do or permit to be done or omit or permit to be omitted upon the demised premises anything which shall cause any insurance policy insuring the lands or any part thereof or the Landlord or the Tenants of the lands to be cancelled or effected in any manner whatsoever.

62. CUMULATIVE REMEDIES

All rights and remedies of the Landlord enumerated in this Lease are cumulative and, save and except as expressly set forth herein, none will exclude any other right or remedy allowed by law.

63. FORBEARANCE

No condonation or waiver by the Landlord of any non-observance or non-performance by the Tenant of any of the provisions hereunder will operate as a waiver or estoppel by or against the Landlord in respect of any subsequent non-observance or non-performance by the Tenant of the same or any other provision hereunder.

64. ACCORD AND SATISFACTION

No payment by the Tenant or receipt by the Landlord of a lesser amount than the payment of Base Minimum Yearly Rent pursuant to Clause 3A or Additional Rent pursuant to Clause 3B or other payments herein stipulated shall be deemed to be other than on account of the earliest stipulated sum due, unless the Landlord elects in its sole and absolute discretion to acknowledge in writing that any cheque or payment be deemed on accord and satisfaction, provided further that the Landlord may accept any such cheque or payment without prejudice to the Landlord's right to recover the balance due or pursue any other remedy in this Lease.

65. OPTION TO RENEW

In the event that the Tenant pays, observes and performs, at all times during the currency of this Lease, all, each and every one of the terms, conditions and provisos of this Lease which are the responsibility of the Tenant, then the Landlord shall grant to the Tenant a renewal of this Lease of the demised premises for a further term of **Five (5)** years (the "Renewal Term") upon receipt of the Tenant's written request therefore (to be received by the Landlord no later than One Hundred Eighty (180) days prior to the expiration date of the term of this Lease, failing which the Tenant shall have no right whatsoever to renew this Lease) at a Base Minimum yearly rental for the demised premises being the greater of fair market rental value (as improved) and that greatest Base minimum yearly rental payable by the Tenant during the said initial term. Such renewal of this Lease shall be upon all the same terms, conditions and provisos of this Lease, save and except this clause shall be deleted in its entirety and the Base minimum yearly rental and

security deposits under the renewed Lease shall be amended in accordance with the amended rental for the demised premises. The determination of fair market rental value of the demised premises shall be made as of the **1st** day of **June, 2026** and shall be based on the assumption that the demised premises may be used:

- (a) for the purposes for which they are being used; or
- (b) for the purposes for which they are required to be used pursuant to the terms of this Lease, or
- (c) for the purposes for which they may on the said date be lawfully used;

whichever purpose shall be the greatest, highest and most valuable purpose then available and without regard to the existence of the Lease.

In the event that the Landlord and the Tenant are unable to agree as to the aforesaid fair market rental value, then the determination of same shall be referred to a Board of three (3) arbitrators, each of whom shall be an expert in the field of real estate leasing in the City of Calgary, in the Province of Alberta. The Landlord and the Tenant shall each appoint within seven (7) days of the date that the Landlord and the Tenant are unable to agree upon the fair market rental value of the demised premises, a person who is an expert as aforesaid, who shall together appoint a third arbitrator in writing. If either of the Landlord or the Tenant shall refuse or neglect to appoint such a person and such party so refusing or neglecting to appoint an arbitrator shall have been served a written notice requiring the making of such an appointment, then at the expiration of seven (7) days following the date of service of such notice, the person appointed by the other shall, at the request of the party appointing him, proceed to hear and determine the matters in difference or in dispute, as if he were a single arbitrator appointed by both the Landlord and the Tenant duly authorized for the purpose. If both the Landlord and the Tenant appoint their respective arbitrators in the time prescribed and they do not agree within a period of five (5) days upon the appointment of the third arbitrator, then upon the application to the Court of Queen's Bench of Alberta by either the Landlord or the Tenant pursuant to the Arbitration Act, Chapter A-43 of the RSA, 2000, as amended, the time for service thereof being hereby abridged to three (3) clear days, the third arbitrator shall be appointed by a Justice of the Court of Queen's Bench of Alberta. The award or determination made by the said arbitrators or the majority of them, or by the single arbitrator, as the case may be, shall be final and binding upon the Landlord and Tenant, their successors and assigns. The provisions of this paragraph shall be deemed to be a submission to arbitration within the provisions of the said Arbitration Act, and any statutory modification or re-enactment thereof;



provided that any limitation on the remuneration of arbitrators imposed by such legislation shall not be applicable.

Notwithstanding the foregoing determination, in no event shall the fair market rent for the demised premises for the Renewal Term be less than the Base minimum yearly amount of **Fifty one thousand two hundred DOLLARS (\$51,200.00)** which shall be received by the Landlord (in accordance with Clause 5 of this Lease) absolutely “net ” of all expenses, costs, payments, charges and outgoings respecting the demised premises, the improvements and the operating of the lands and the building of which the demised premises form a part, including without limitation those costs and charges set forth in Clause 22 hereof.

66. GENERAL

This Lease contains the entire agreement between the Landlord and the Tenant and it is admitted so that they shall forever be estopped from asserting that there is any condition precedent or warranty of any nature whatsoever or collateral warranty or covenant whatsoever to the within Lease.

The Tenant hereby grants to the Landlord a security interest (the “Security Interest”) in all inventory, fixtures, equipment, furniture and chattels of the Tenant situate on or about the demised premises from time to time (the “Collateral”) to secure the payment of all rent payable pursuant to this Lease and the fulfillment of the other obligations of the Tenant under this Lease. The Tenant confirms and agrees that the Security Interest is complete and valid without the necessity of any other or further documentation in respect thereof and is intended to constitute a security agreement as defined in the Personal Property Security Act (Alberta)(the “Act”). This security agreement is separate from and shall survive the termination, expiry, repudiation, disaffirmance or disclaimer of this Lease. Upon default by the Tenant of its obligations pursuant to this Lease, the Landlord shall be entitled at its sole option (and without any obligation so to do), to exercise any remedies available to it as a secured party under the Act in respect of the Collateral. The Security Interest is given in addition to, and not as an alternative to, and the rights and remedies afforded to the Landlord thereunder may be exercised by the Landlord without prejudice to any of the Landlord's other rights and remedies under this Lease and at law including, without limitation, the Landlord's right of distress. The Tenant covenants and agrees that all Collateral located on the demised premises from time to time shall be owned by the Tenant and except in the ordinary course of the Tenant's business, the Tenant shall not at any time without the prior written

consent of the Landlord, such consent not to be unreasonably withheld, dispose of all or any part of the Collateral. A security interest may only be registered if the Tenant is in default.

Wherever the singular and gender neuter is used throughout this Lease, the same shall be construed as meaning the plural or masculine or feminine or a body corporate where the context or the parties hereto so require, and where there are two (2) or more parties forming the Tenant the covenants by the Tenant herein contained shall be at all times joint and several covenants of the parties forming the Tenant.

This Lease shall enure to the benefit of and be binding upon the Landlord, its heirs, executors, administrators, successors and assigns, and upon the Tenant, its heirs, executors, administrators, successors and assigns.

67. ACCEPTANCE

The Tenant hereby accepts this Lease of the demised premises to be held by it as the Tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF **HARMIN HOLDINGS LTD.** and **MAYLAND HEIGHTS COLLISION LTD** have hereunto set respective names and corporate seals attested to by their properly authorized agent, all as of the day and year first above written.

Per: \_\_\_\_\_  
**HARMIN HOLDINGS LTD.**

Per: \_\_\_\_\_  
**MAYLAND HEIGHTS COLLISION LTD.**

SCHEDULE "A"

TO: HARMIN HOLDINGS LTD

RE: #1, 5940 – 30<sup>th</sup> Street SE  
(the "Leased Premises")

FROM: MAYLAND HEIGHTS COLLISION LTD.  
(the "Tenant"),

being a tenant in possession of its Leased Premises under a lease from Harmin Holdings Ltd (the "Landlord") dated the 1<sup>st</sup> day of **December, 2021** (the "Lease"), with the intent that this certificate may be relied upon by you, hereby certifies to you as follows:

- (a) all the subsisting rights and all the subsisting obligations of the Tenant and the Landlord, respectively, are contained in the Lease and there are no other agreements between the Tenant and the Landlord now in effect pertaining to such rights and obligations;
- (b) the Lease has been validly authorized, executed and delivered by the Tenant;
- (c) the Lease is unmodified and in full force and effect and the Tenant has accepted possession, and is in occupation of the Leased Premises and is paying rent in accordance with the terms of the Lease; the term of which began on **December 1, 2021**;
- (d) rent has been paid under the Lease to date and has not been prepaid; the fixed Base Minimum Rent at present payable pursuant to the Lease is **\$46,080.00** per annum;
- (e) there is no existing default by either the Landlord or the Tenant under the Lease;
- (f) there are no set-offs, defences or counterclaims against the enforcement of the obligations to be performed by the Tenant under the Lease;
- (g) to the knowledge of the Tenant, no litigation or governmental or municipal proceeding has been commenced or is pending or threatened against the Tenant with respect to the Leased Premises;
- (h) all improvements to be performed by the Landlord under the Lease (or under any antecedent agreement relating thereto) have been completed to the absolute satisfaction of the Tenant and all allowances on account of such Tenant's improvements have been paid by the Landlord; and
- (i) a security deposit in the amount of **\$14,176.00 (Not including GST)** has been paid.

DATED at Calgary this \_\_\_\_\_ day of \_\_\_\_\_, 2021

Per: \_\_\_\_\_  
Mayland Heights Collision Ltd

SCHEDULE "B"  
RULES AND REGULATIONS

1. The Landlord shall have the right to control and operate the public portions of the building and the public facilities as well as facilities furnished for the common use of the Tenants in such manner as it deems best for the benefit of the Tenants generally. No Tenant shall invite to the demised premises or permit the visit of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors and facilities of the building by other Tenants.
2. The plaza, sidewalks, entrances, stairways and corridors of the building shall not be obstructed by the Tenant or used by it for any other purpose than for ingress and egress to and from the demised premises and no Tenant shall place or allow to be placed in or on the plaza, hallways, corridors, toilets or stairways any waste paper, dust, garbage, refuse or anything whatever that shall tend to make them appear unclean or untidy.
3. No awnings or other projections over or around the windows or entrances of the demised premises shall be installed by any Tenant without receiving the prior written consent of the Landlord.
4. All entrance doors in the demised premises shall be left locked by Tenants when the demised premises are not in use.
5. Canvassing, soliciting or peddling in the building is prohibited and each Tenant shall co-operate to prevent the same.
6. Tenant shall not permit the introduction into the demised premises or the building of any machine or mechanical device of any nature whatsoever which may be liable to cause objectionable noise or vibration or be injurious to the demised premises or the building.
7. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
- 8.. If any apparatus used or installed by Tenant requires a license or a permit as a condition for its use or installation, Tenant must obtain and file a copy of such license or permit with the Landlord prior to any such use or installation.
9. Tenant shall not place any additional locks upon any doors of the demised premises or the building without the written consent of the Landlord.

10. Tenant shall not install any blinds, curtains, drapes or other window coverings which would be exposed to view from the exterior of the building without the prior written consent of the Landlord.
11. In the event the Landlord provides Directory Boards the space thereon allotted to the Tenants of the building for directory listing shall be of such size and style as the Landlord shall decide.
12. The Landlord reserves the right to promulgate, rescind, alter or waive any rules or regulations at any time prescribed for the lands and/or building when it is necessary, desirable or proper for its best interest and in the opinion of the Landlord for the best interests of the tenants of the building.
13. The Tenant shall not drill into or in any way deface the walls, ceilings, partitions, floors, wood, stone or ironwork, unless same can be repaired by Tenant. Boring, cutting or stringing of wires including telegraphic or telephonic connections or pipes shall not be permitted except with the prior written consent of the Landlord and as it may direct.
14. No one shall use the demised premises or any part thereof for sleeping apartments.
15. The Tenant shall not operate or permit any musical or sound-producing instrument or device inside or outside the demised premises which may be heard outside the demised premises. The Tenant will not install any radio or television antenna, loudspeakers, sound amplifiers or similar devices on the roof or exterior walls of the said building without prior written consent of the Landlord, which may be unreasonably or arbitrarily withheld
16. No animal shall be allowed on or kept in or about the demised premises or the building.
17. The Landlord shall, at its option, assign parking spaces to the Tenants of the building, in its sole and absolute discretion, including without limitation, the imposition of parking charges for such spaces.
18. The Tenants parking spaces are currently on the North side of the building. They can be relocated by mutual agreement.

SCHEDULE "C"  
TENANT IMPROVEMENTS

- 1) See schedule "E" attached for the Tenants exclusive storage / parking area as outlined in red.
- 2) The Tenant will be responsible for any improvements to the premises required by the City of Calgary or any regulatory body to operate within the premises. I.E. MUA / exhaust System
- 3) Tenant will erect a 20' x 30' fenced compound at rear of building
- 4) Tenant will install 8' 8" x 12' roll up door in north wall of the building

SCHEDULE "D"  
LANDLORD IMPROVEMENTS

- 1) Ensure that all electrical including plumbing, mechanical and overhead doors are in proper working order.
- 2) Give the Office area a thorough cleaning.
- 3) See Schedule "E" attached for the Tenants exclusive outside storage / parking area as outlined in red.
- 4) Paint office area.
- 5) Install VCT an rubber Base in office
- 6) Landlord Warrants Mechanical & Electrical equipment until Decembe31, 2021.



**THIS IS EXHIBIT "55" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

This Lease is dated the 14 day of May, 2007.

Between:

**Autobahn Auto Works Ltd.**

a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Landlord")

First Party

- and -

**SUNRIDGE COLLISON LTD.,**  
a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Tenant")

Second Party

**Background:**

A. The Landlord is the owner of lands legally described as:

**PLAN: 8710359**  
**BLOCK: 6**  
**LOT: 13**  
**EXCEPTING THEROUT ALL MINES AND MINERALS**

(the "Lands")

B. A building is located on the Lands, which is municipally described as 2601 -- 29<sup>th</sup> Street NE, Calgary, Alberta (the "Building").

The parties agree as follows:

### **Section 1** **Interpretation**

#### **1.01 Laws of the Province of Alberta**

This Lease will be governed by and construed in accordance with the laws of the Province of Alberta.

#### **1.02 Schedules**

All Schedules annexed to this Lease will be read with and form part of this Lease.

#### **1.03 Entire Agreement**



Subject to the provisions of any written collateral agreements, this Lease contains the entire agreement between the parties which is admitted so that they will be forever estopped from asserting to the contrary that there is any representation, condition precedent or warranty whatsoever to the within Lease. Any offer to lease made by the Tenant to the Landlord in respect of the Premises will be merged in the Lease except to the extent that such offer to lease specifically provides for non-merger of its terms in this Lease, and execution hereof by the Tenant will constitute an acknowledgment from the Tenant that the Landlord's obligations have been fully performed and satisfied except to the extent stated herein. Delivery of an unsigned copy of this Lease to the Tenant, notwithstanding insertion of all particulars in the Lease and presentation of any cheque or acceptance of any monies by the Landlord given by the Tenant as a deposit, does not constitute an offer by the Landlord and no contractual or other legal right will be created between the parties hereto until this Lease has been fully executed by both parties and delivery has been made of an executed copy of this Lease to the Tenant.

#### **1.04 Partial Invalidity**

If any term, covenant or condition of this Lease or the application thereof to any person or circumstances is to any extent invalid or unenforceable, the remainder of this Lease or application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby, and each term, covenant or condition of this Lease will be valid and will be enforced to the fullest extent permitted by law.

#### **1.05 Grammatical**

The word "Tenant" is deemed and taken to mean each and every person or party mentioned as a Tenant herein, be the same one or more; and if there is one or more person or party, any notice required or permitted by the terms of this

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Lease may be given by or to any one thereof, and will have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to the Landlord or the Tenant is deemed a proper reference even though the Landlord or Tenant may be an individual, partnership, corporation or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships or individuals, males or females, will in all instances be assumed as though in each case fully expressed.

1.06 Titles

The titles at the commencement of each section or subsection in this Lease have been inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of this Lease or any part hereof.

1.07 Time of the Essence

Time is of the essence of this Lease.

~~1.08 Intent of Lease~~

~~It is the intent of the parties and agreed that this Lease will be absolutely net to the Landlord such that, without limiting the generality of the foregoing, the Tenant will pay for its own account and without any variation, set-off or deduction, all amounts, charges, costs, duties, expenses, fees, rates, sums, taxes (inclusive of G.S.T. or any provincial sales tax) and increases therein in any way relating to the Premises, as well as a share of the expenses relating to the operation of the Building as set out in this Lease.~~

1.09 G.S.T. Registration Number

The G.S.T. Registration Number for the Landlord (Autobahn Auto Works Ltd.) is 103372942 RT.

**Section 2  
Premises**

2.01 Grant of Lease

The Landlord leases to the Tenant and the Tenant leases from the Landlord the Lands and Building (the "Premises"). The Tenant acknowledges that the Landlord has granted a bill board lease to Patterson Leasing for a sign on the west side of the Lands and that the Landlord or the agent of Patterson Leasing shall have access to the Lands and sign in accordance with that Lease and that nothing in this lease shall restrict the Landlord from such leasing arrangements.

**Section 3  
Term and Option to Renew**

3.01 Commencement of Term

The Tenant will have and hold the Premises for and during the Term which will be, unless terminated earlier as herein provided, the period of Five (5) Years from and including the fifteenth (15th) day of May, 2007 (the "Commencement Date") to and including the thirtieth (30<sup>th</sup>) day of April 2012 (the "Term").


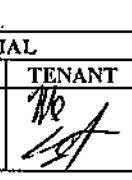
3.02 Option to Renew

The Tenant shall have the option to renew this lease for a further two 5 year periods exercisable by giving written notice to the Landlord no greater than 12 months and no less than 6 months prior to the expiry of the Term and the initial renewal term. No further options to renew shall be included in the renewed leases other than the options stated herein. The Basic Annual Rent for each renewal period shall be calculated in the same fashion as this lease other than the minimum monthly rent in section 4.1 a) shall be based on the then current market rent for like premises in the City of Calgary but not less than the Basic Annual Rent provided herein or in the initial renewal term in the case of a subsequent renewal. In the event the parties are unable to agree on such rent then upon application by either party the rent shall be as determined by arbitration pursuant to the Alberta Arbitration Act.

**Section 4  
Rent and Prepaid Rent**

4.01 Rent

The Tenant will pay the Landlord at such place as the Landlord may from time to time designate in writing, without deduction or set-off, a basic annual rent as set out herein plus GST commencing on the Commencement Date ("the Basic Annual Rent"); namely:

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Period	Basic Annual Rent	Basic Monthly Rent
May 1, 2007 through to April 30 <sup>th</sup> , 2008	\$144,000.00	\$12,000.00
May 1, 2008 to April 30, 2009	\$151,200.00	\$12,600.00
May 1, 2009 to April 30, 2010	\$158,760.00	\$13,230.00
May 1, 2010 to April 30, 2011	\$166,698.00	\$13,891.50
May 1, 2011 to April 30, 2012	\$175,032.90	\$14,586.08

**4.02 Post Dated Cheque Payment**

The Annual Rent and GST shall be paid in equal monthly installments as set out above due and payable in advance on the first day of each month. The Tenant shall deliver to the Landlord on or before the Term Commencement Date Twelve (12) post dated cheques for Tenant's payment of Annual Basic Rent plus GST. The Tenant further covenants and agrees to pay promptly, when billed, any amount due under the terms of this Lease which is not specifically covered by the foregoing monthly debits.

In the event that any cheque issued by the Tenant shall not be honored by the Tenant's bank or financial institution for any reason, then, in addition to any other remedies the Landlord may have, the Tenant shall pay to the Landlord, upon request, Fifty Dollars (\$50.00) for each occurrence which amount represents the estimated cost of processing the dishonored debit or cheque and re-debiting the Tenant's account or processing a replacement cheque and administration fee.

**4.03 To Pay Rental**

The Tenant shall pay the Basic Annual Rent hereby reserved at the times and in the manner hereby provided; and, further, shall pay such other and additional sums as are required under this Lease to be paid by Tenant to the Landlord with five (5) days after the same shall become due and payable pursuant to the provisions of this Lease, or in the event that no date is specified for the payment thereof, after receipt of the Landlord's invoice therefore. In the event of default of payment of the aforesaid sum or sums, the Tenant shall pay to the Landlord upon demand, interest thereon at a rate of twelve percent (12%) per annum from the due date and during such time as the Tenant shall remain in default with respect to the payment of such sum or sums. In addition to interest charges as previously set out, the Tenant will pay the Landlord a charge of \$150.00 in respect of each late payment representing overhead and administration fees.

**4.04 Prepaid Rent**

The Landlord hereby acknowledges receipt of the sum of \$12,000.00, to be applied to the first month's Rent, Operating Costs and G.S.T. of the Term granted hereunder ("Prepaid Rent").

**4.05 Security Deposit**



The Landlord acknowledges having received payment from the Tenant of the sum of \$12,000.00 (the "Security Deposit"), without liability for interest, held as partial consideration for the execution by the Landlord of this Lease and as security for the faithful performance by the Tenant of all the terms, covenants and conditions of this Lease. If at any time during the Term of this Lease Rent payable by the Tenant hereunder is overdue and unpaid, then the Landlord may at its option apply any portion of the Security Deposit toward the payment of such overdue Rent, without hereby limiting or excluding any other right the Landlord may have hereunder or at law. In the event the entire Security Deposit or any portion hereof is applied by the Landlord toward the payment of overdue Rent, then the Landlord will deliver its written demand to the Tenant that it pay within five (5) days receipt of same such sum as is sufficient to restore the Security Deposit to the original sum deposited.

**Section 5  
Additional Rent**

**5.0 Operating Costs**

The Tenant will pay to the Landlord by way of Additional Rent within 15 days of notice of same the following items which are to be considered Operating Costs under this Lease:

- a) property tax of the Landlord;
- b) insurance of the Landlord;
- c) an amount equal to all reasonable professional fees incurred by the Landlord in the enforcement of the Tenant's covenants under this Lease or with respect to the Landlord's cost of obtaining advice of the Tenant's covenants under this lease and in respect of the recovery of any insurance claims on behalf of the Tenant, and all costs incurred or sums paid by the Landlord for any tenant(s) or other occupants of the Building by reason of any breach of the Tenant's covenants to be performed and observed by the Tenant pursuant to the terms of this Lease, and legal fees charged to the Landlord by his solicitor on a solicitor/client basis and any legal costs lawfully incurred in obtaining possession of the Premises upon the termination of this Lease as herein provided.

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5.01 Public Utilities

The Tenant will pay within fifteen (15) days as they become due any and all charges for public services and utilities, including water, gas, telephone, telecommunications, electrical power or energy, steam or hot water used upon or in respect of the Premises and for fittings, machines, apparatus, meters or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities. The Landlord may pay them, or any of them, and thereupon charge the amount so paid to the Tenant, who shall forthwith pay them to the Landlord, and the Landlord may add same to the Rent and recover by all remedies available to it for the recovery of Rent in arrears to the same extent and effect as if the said sums were, in effect, Rent.

5.02 Heat

The Tenant will heat the Premises to a reasonable degree at its own expense.

Section 6  
Tenant's Covenants

6.01 Maintenance and Repairs

The Tenant will at all times during the Term, at its sole cost and expense, properly and sufficiently repair, paint and maintain the Premises. The Tenant will at all times during the Term repair and maintain all fixtures inside the Premises, including but not limited to, the fluorescent light tubes or bulbs, the light fixtures and ballasts, and all equipment including, but not limited to, entrance doors (including overhead doors), and all other things which at any time during the Term of this Lease are located or erected upon the Premises when and so often as need be, excepting only:

- (a) structural repairs of the Premises;
- (b) repairs necessitated by damage from hazards covered by and receivable from an insurance policy which the Landlord is required to maintain pursuant to Section 11.04;
- (c) reasonable wear and tear.

unless (a), (b), and (c) above are necessitated by the acts or omissions of the Tenant, its agents, employees, invitees or licensees. The cost of repair, maintenance, or replacement required to be made in or to any portion of the Building as a result of any act or omission of the Tenant, its employees, servants, agents or licensees, less the net amount realized by the Landlord from its insurer or insurers as a result of any insurance claims, will be paid in full by the Tenant.

6.02 Tenant's Alterations

The Tenant shall make no improvement, alteration or addition (any one of which shall hereinafter be called an "Alteration") to the Premises, including without limitation, the fixtures and improvements therein, nor attach nor fix any article thereto or employ any workman or contractor for such purpose otherwise than at its own expense and with the Landlord's prior written consent which may be granted on such reasonable conditions as the Landlord may impose, including without limitation:

- (a) the submission of complete plans and specifications of the Alteration, acceptable to the Landlord and its consultants for consideration by them; and
- (b) the doing by the contractors and workmen nominated or employed by the Landlord of all work in connection with the Alteration promptly in a good and workmanlike manner and in accordance with the plans and specifications as approved by the Landlord; and
- (c) the right to withdraw such approval at any time in the event the work in respect of any Alteration is not being done in a manner acceptable to the Landlord; and
- (d) all changes, alterations, additions and improvements will comply with all statutes, regulations, by-laws, specifications or requirements of any municipal, provincial or federal government or other authority; and
- (e) the Tenant will comply with all provisions regarding fire regulations and insurance policies, and as otherwise herein provided; and
- (f) the Tenant will not under any circumstance, save as provided in Section 14.01, whether in respect of changes, alterations or improvements to the Premises pursuant to this Section or work performed pursuant to this Section, otherwise permit any lien, caveat, encumbrance or charge to be filed against the Premises, the Building or the Lands, and will immediately discharge or contest any lien which may be filed; and
- (g) the Tenant will not be entitled to make any changes, alterations, additions or improvements whatsoever to the structure of the Building, the electrical, mechanical (including heating and air-conditioning), plumbing or telephone wiring, pipes, ducts or other paraphernalia, save as may be required pursuant to provisions of this Section and Section

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6.03; provided that any changes, alterations, additions or improvements required under this Section will only be made upon not less than five (5) days written notice thereof to the Landlord.

and any Alteration which may be made by either of the parties hereto upon the Premises including without limitation carpeting, window coverings, attached reception counters, cupboards, shelving and plumbing fixtures, except trade fixtures and moveable office furniture put in at the expense of the Tenant, shall not unless otherwise agreed by the Landlord be thereafter removed, but shall become and remain the Lands of the Landlord. Any such consent of the Landlord shall constitute its agreement to any waste which the Alteration may involve. The Tenant will reimburse the Landlord for costs incurred by it with respect to any actual or proposed Alteration, and also with respect to the examination by the Landlord, or any consultant retained by it of any request for consent to any actual or proposed Alteration, plus reasonable compensation as determined by the Landlord for its work with respect to such approval.

**6.03 Compliance with Statutes and Regulations**

The Tenant will, so far as it is liable and required to, promptly comply with all statutes, regulations, orders or ordinances issued by any competent Provincial, Civic, Municipal or Federal Government authority or by any insurance underwriter's board or association on account of or applying to the occupancy or use of the Premises.

**6.04 Insurance**

The Tenant will place and maintain at its own expense, in amounts and with insurers satisfactory to the Landlord, an insurance policy(ies) which shall cover:

- (a) public liability and property damage insurance with respect to the Premises in which the limits of public liability and property damage will be inclusive and in an amount not less than Two Million (\$2,000,000.00) Dollars;
- (b) loss by such insurable hazards as the Landlord may from time to time reasonably request on a replacement cost basis in an amount sufficient to cover the costs of replacement of all alterations, decorations, fixtures, machinery, equipment, additions and improvements made, installed or brought by the Tenant on the Premises;
- (c) replacement of all glass damaged in the Premises howsoever caused; and
- (d) business interruption insurance in an amount as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in this Section and other perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or the Building as a result of such perils for the period of 120 days, or such longer period as the Landlord may prudently require from time to time.

which policies will:

- (a) name the Landlord or any person, firm or corporation designated by the Landlord, and the Tenant as the insured,
- (b) provide for thirty (30) days prior written notice to be given to the Landlord prior to cancellation;
- (c) contain a waiver of subrogation clause in favour of the Landlord by the Tenant's insurer; and
- (d) be primary, non-contributing with, and not in excess of, any other insurance available to the Landlord.

The Tenant will, prior to gaining entry to all or part of the Premises and from time to time thereafter as required by the Landlord, deliver to the Landlord certificates of such insurance or the original or certified copy of such insurance policies.

**6.05 Heavy Equipment**



The Tenant will not bring upon the Premises or the Building or any part thereof any machinery, equipment, article or thing that by reason of its weight, size or use might damage any floor, foundation, roof or structure of the Premises or the Building and, if any damage is caused to the Premises or to the Building by any machinery, equipment, article or thing the Tenant will forthwith repair such damage.

**6.06 Cleanliness**

The Tenant will not place, leave or permit to be left upon the roads, parking areas and other common areas any debris or refuse and will at all times during the Term keep the Premises in clean, wholesome and sanitary condition at its sole cost and expense.

**6.07 Use of Premises**

The Tenant will occupy and use the Premises solely for the purpose of auto body shop, sales and service and for no other purpose. The Tenant will not carry on any business or do anything or permit anything to be done that is deemed a nuisance or which is in contravention of any law or which causes annoyance to the Landlord or other tenants.

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**6.08 Dangerous Substances and Insurance**

The Tenant will not keep or store, or suffer or permit to be kept or stored, in or upon the premises any inflammable oils, substances or materials or carry on any operation or work whereby any insurance on the premises may become void or voidable, or which would increase the rate for insuring the premises against fire or be contrary to any municipal, provincial or federal regulation or bylaw. Provided however, if at any time hereafter the insurance cost to any other Tenant in respect of the aforesaid building is increased by virtue of the Tenant's use and occupation of the premises, the Tenant shall pay to the Landlord the amount by which the insurance premiums shall be so increased. If notice of cancellation shall be given respecting any insurance policy or if any insurance policy upon the aforesaid building or any part thereof shall be cancelled or refused to be renewed by an insurer by reason of the use or occupation of the premises or any part thereof by the Tenant or by any assignee or sub-Lessee or by anyone permitted by the Tenant to be upon the premises, the Tenant shall forthwith remedy or rectify such use or occupation upon being requested to do so in writing by the Landlord; and if the Tenant shall fail to do so forthwith or shall fail forthwith to procure equivalent insurance to that cancelled or refused, the Landlord may, at its option, terminate this Lease and the Tenant shall immediately deliver up possession of the premises to the Landlord.

**6.09 Tenant to Comply with Laws**

The Tenant will comply as far as it is liable to as tenant with all the requirements and levels of any municipal, provincial or federal regulation or bylaw with regard to the protection and proper adjustment of all electrical, gas, lighting, heating and other fittings, machinery or appliances, furniture or furnishings, and will protect and otherwise guard against danger of fire or explosion by reason of the use thereof by complying with the requirements of the said laws in respect of the maintenance and use thereof and of all exits and entrances or other lawful (including insuring) requirements.

(b) Whenever requested by the Landlord a mortgagee or an encumbrance holder or other third party having an interest in the said lands, the Tenant shall, within ten (10) days of the request, execute and deliver an estoppel certificate or other form of certified acknowledgment as to the status and validity of this Lease, rent payable and defaults on the part of the Landlord alleged by the Tenant and such other information as may be reasonably required. The Tenant's failure to deliver such a certificate or acknowledgment within the time provided shall constitute a default hereunder and shall be conclusive evidence against the Tenant that the information set out in such certificate or acknowledgment presented to the Tenant is accurate.

**6.11 Hazardous Substances**

Without limiting the generality of any other provisions of this Lease, the Tenant shall, at its own cost and expense, comply with all laws and regulations from time to time in force relating to the Landlord, the Tenant, the business of the Tenant or the Premises relating to Hazardous Substances and the protection of the environment and shall immediately give written notice to the Landlord of the occurrence of any event in the Premises constituting an offense thereunder or being in breach thereof and, if the Tenant shall, either alone or with others, cause the happening of such event, the Tenant shall, at its own expense:


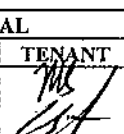
- (a) immediately give to the Landlord notice to that effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the following provisions of this clause;
- (b) promptly remove the Hazardous Substances from the Premises in a manner which conforms with all laws and regulations governing the movement of the same; and
- (c) if requested by the Landlord, obtain at the Tenant's cost and expense from an independent consultant designated or approved by the Landlord a report verifying the complete and proper removal thereof from the Premises or, if such is not the case, reporting as to the extent and nature of any failure to comply with the foregoing provisions of this clause. The Tenant shall, at its own expense, remedy any damage to the Premises caused by such event within the Premises or by the performance of the Tenants obligations under this clause as a result of such occurrence.

The Landlord and Tenant have agreed to immediately initiate proceedings to secure an environmental report respecting the Premises and to equally bear the costs of such report. The Landlord agrees to be responsible for all environmental problems and contamination prior to and/or arising from the report and the Tenant shall be solely be responsible for contamination and environmental problems subsequent thereto and not revealed in the report.

**6.12 Inquiries by Landlord**

The Tenant hereby authorizes the Landlord to make inquiries from time to time of any government agency with respect to the Tenants compliance with any and all laws and regulations pertaining to the Tenant, the Tenant's business and the Premises including, without limitation, laws and regulations pertaining to Hazardous Substances and the protection of the environment; and the Tenant covenants and agrees that the Tenant will from time to time provide to the Landlord such written authorization as the Landlord may reasonably require in order to facilitate the obtaining of such information.

The Tenant shall at the Tenants own expense comply with all laws and regulations from time to time in force regulating the manufacture, use, storage, transportation or disposal of Hazardous Substances and shall make, obtain

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and deliver all reports and studies required by governmental authorities having jurisdiction.

**6.13 Inspection of Goods**

The Landlord may at any time and from time to time inspect the Tenant's goods upon the Premises and the Tenant's records relating thereto for purpose of identifying the nature of the goods and the existence or absence of any Hazardous Substances and the Tenant shall assist the Landlord in so doing.

**6.14 Ownership of Hazardous Substances**

If the Tenant shall bring or create upon the Premises any Hazardous Substances or if the conduct of the Tenant's business shall cause there to be any Hazardous Substances upon the Premises then, notwithstanding any rule of law to the contrary, such Hazardous Substances shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation of the Hazardous Substances or the goods containing the Hazardous Substances to the Premises and notwithstanding the expiry or earlier termination of this Lease.

**6.15 Survival of Covenants**

The obligations of the Tenant hereunder relating to Hazardous Substances shall survive the expiry or earlier termination of this Lease save only that, to the extent that the performance of those obligations require access to or entry upon the Premises or any part thereof the Tenant shall have such entry and access only at such times and upon such terms and conditions as the Landlord may from time to time specify; and the Landlord may, at the Tenants cost and expense itself or by its agents, servants, employees, contractors and subcontractors, undertake the performance of any necessary work in order to complete such obligations of the Tenant; but having commenced such work, the Landlord shall have no obligation to the Tenant to complete such work.

**6.16 Keys**

The Tenant will deliver up to the Landlord all keys to all locks on all doors and mailboxes to and in the Premises upon the termination of this Lease.

**6.17 Signs**

The Tenant acknowledges that it may from time to time during the Term erect, paint, display, maintain, alter, change or remove advertising signs on the exterior sign bands where provided. All such signs are to be dignified in appearance, approved in writing by the Landlord as to dimensions, construction, type and location, and will comply with the requirements of municipal and government authorities, and the Landlord in approving such signs will have regard to:

- (a) the aesthetic appeal of the Building;
- (b) the need as a primary purpose to identify and not to advertise the Tenant; and
- (c) the necessity on a multiple occupancy complex for all signs to be complimentary and not to detract from each other.

The signs, where applicable, will remain the property of the Tenant and will be removed by the Tenant upon termination of this Lease. Upon removal of any such signs, the Premises will be restored to their original condition except for reasonable wear and tear. The Tenant will indemnify the Landlord against any loss or damage caused to any person or property as a result of the placing, use or removal of any sign on the exterior and interior of the wall. Portable signs are strictly prohibited on the Building.

**6.18 Rules and Regulations**


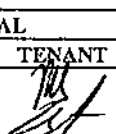
The Tenant will observe and comply with the reasonable rules and regulations which the Landlord may make and communicate to the Tenant from time to time during the Term.

**6.19 Tenant's Business Tax**

The Tenant will pay all business, sales, equipment, machinery or other taxes, charges and license fees levied or imposed by any competent authority in respect of the personal, business, sales, equipment, machinery or income of the Tenant, and any charges paid by the Tenant pursuant to this Section will not be included in expenses provided for in Section 5.01.

**6.20 (Intentionally Deleted)**

**Section 7  
Sale or Mortgage**

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**7.01 Landlord Relieved**

In the event of the sale, transfer, lease or mortgage of, or the raising of funds charged upon the interest of the Landlord in the Lands or the Buildings by the Landlord, this Lease shall be assigned by the Landlord to an Encumbrancer. In the event of any such sale, transfer or lease, or the assignment of this Lease or any interest of the Landlord therein and to the extent the Encumbrancer may agree with the Landlord or the Tenant to be bound by the covenants and obligations of the Landlord hereunder, the Landlord will, without further written agreement, be relieved and released from any and all liability subsequent to the date of the transaction in respect of such covenants and obligations. In the event of any Encumbrancer going into possession of the Lands or the Buildings, the Tenant will at the request of such Encumbrancer attorn to and become the Tenant of such Encumbrancer.

**7.02 Postponement And Subordination**

On request from the Landlord or any Encumbrancer at any time and from time to time, the Tenant will promptly execute and deliver any instrument of further assurance reasonably required to:

- (a) postpone and subordinate this Lease to such Encumbrancer to the intent and effect that this Lease and all the rights of the Tenant will be subject to the rights of such Encumbrancer as though the same existed prior to the making of this Lease;
- (b) attorn to the Encumbrancer and become bound to the Encumbrancer as Tenant of the Premises for the then unexpired term of this Lease and upon the conditions herein set forth; and
- (c) consent to or acknowledge an assignment of the Lease or Rents granted to an Encumbrancer by the Landlord as collateral security for the payment of mortgage moneys.

No attornment or subordination by the Tenant will have the effect of disturbing the Tenant's occupation and possession of the Premises if the Tenant is not in default under this Lease and complies and continues to comply with all the covenants, terms and conditions hereof.

**Section 8  
Indemnification**

**8.01 Indemnification of Landlord**

The Tenant will indemnify the Landlord from all liabilities, costs, damages, loss, fines, suits, claims, demands, actions or cause of actions of any kind or nature for which the Landlord may become liable or suffer by reason of any breach, violation or nonperformance by the Tenant of any covenant or proviso hereof, or by reason of any injury or death occasioned to or suffered by any person or persons or any property through any act, neglect or default by the Tenant or any of its agents or employees; such indemnification in respect of any such breach, violation or nonperformance, damage to property, injury or death occurring during the term of the Lease shall survive any termination of this Lease, notwithstanding anything in this Lease to the contrary.

In the event that the Tenant becomes an insured under a policy of insurance placed by or obliged to be placed by the Landlord respecting loss or damage to persons, the Premises, the Building, or other property, the Tenant will indemnify and pay to the Landlord any deductible required to be paid by the Landlord under such policy of insurance where the loss or damage is occasioned by a breach, violation or nonperformance by the Tenant of any covenant or proviso hereof, or where such loss or damage is occasioned by any act or non action by the Tenant, its employees, servants, agents or assigns which at law the Tenant would otherwise be responsible for if it was not an insured under such policy of insurance.

**8.02 Limit of Landlord's Responsibility**

The Landlord will not be liable in any way for:

- (a) any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Tenant or its employees, agents, invitees, licensees or customers, or any other person who may be in or upon the Premises or the Building;
- (b) any loss or damage whatsoever to any property belonging to the Tenant or its employees or to any other person while such property is in or on the Premises or the Building; or
- (c) any loss, damage or injury, whether direct or indirect, to persons or property, or lost income or revenue resulting from any failure however caused in the supply of the utilities, services or facilities provided or to be provided or repairs made to or to be made to the Premises or the Building under any provisions of this Lease or otherwise;

unless such injury, loss or damage was caused by the negligence of the Landlord and then only to the extent of the net amount realized by the Landlord from its insurer or insurers.

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**Section 9  
Rights Of Landlord**

**9.01 Inspection of Premises**

The Landlord or its agent may, at all reasonable times during the Term hereof and during normal business hours save in an emergency, inspect the Premises without interference to the operation of the Tenant's business, enter the Premises to examine the condition thereof, and upon notice in writing given by the Landlord to the Tenant of any want of repair for which the Tenant is responsible under the terms hereof, to rectify and make good any such defect within the time specified in the written notice; provided that if the Tenant fails to repair that which is detailed in the notice, the Landlord may enter the Premises without liability for disturbance or damage so caused to do such repairs and the cost of such repairs will be charged to the Tenant as Operating Costs, and such Operating Costs will be due and payable on the next succeeding installment of Rent.

**9.02 Landlord May Repair, Install Wiring Etc.**

In the event that the Tenant fails to repair, maintain, heat, air-condition, keep or clean the Premises in accordance with the provisions hereof, the Landlord, its agents, contractors or employees may at any reasonable time enter the Premises to remedy such failure or default and recover from the Tenant the cost thereof (including the cost of repairs or cleaning required to be done after the Tenant vacates the Premises upon termination of this Lease). In making such repairs or doing such maintenance or cleaning, the Landlord may bring and leave upon the Premises all necessary materials, tools and equipment and the Landlord will not be liable to the Tenant for any inconvenience, annoyance, loss of business or any injury suffered by the Tenant, its employees, agents or invitees by reason of the Landlord effecting such repairs, maintenance or cleaning.

Whether or not the Tenant fails to repair, maintain, heat, air-condition, keep or clean the Premises in accordance with the provisions hereof, the Landlord or any person authorized by the Landlord shall have the right to install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Premises for, or in connection with the supply of any service to the Premises or the Building or any part thereof. Such service shall include (without limiting the generality of the foregoing) gas, electricity, water, sanitation, heat, ventilation and air conditioning. PROVIDED, however, that where there has been no failure by the Tenant to repair, maintain, heat, air-condition, keep or clean the Premises in accordance with the provisions hereof, and insofar as it shall be reasonable so to do, such work shall be carried on at such times and in such manner so as not to unreasonably interfere with the conduct of the Tenant's business on the Premises.

Nothing in this Clause shall be construed as to require the Landlord to do any act which by this Lease the Landlord is not required to do.

**9.03 Rent or Sale Notice**



The Landlord shall be entitled to enter and place in the Premises at any time during the term hereof notices that the premises or any part thereof, or of any building of which the Premises form a part, are for sale, and during the last three (3) months of the term hereof notices that the Premises or any part thereof are for rent and the Tenant agrees not to remove any such notices or permit the same to be removed, and the Tenant will at reasonable hours and from time to time permit the Landlord to exhibit the Premises to any prospective purchaser or tenant.

**Section 10  
Assignment and Subletting**

**10.01 Assignment and Subletting**

The Tenant agrees that it will not assign, sublet, part with or share possession of or occupation of the Premises or any part thereof without the prior written consent of the Landlord, such consent not to be unreasonably withheld, and provided that neither an assignment of the Lease nor the Landlord's consent thereto will relieve the Tenant from the covenants and agreements in this Lease, and further provided that the Tenant will:

- (a) obtain the covenant of any assignees or sublessors to assume and perform all of the Tenant's covenants and obligations under this Lease;
- (b) pay to the Landlord any reasonable fees incurred by it, together with any solicitors' fees charged to the Landlord for such assignment or subletting;
- (c) remain fully liable for the performance of all covenants hereunder including, but not limited to, the payment of rent; and
- (d) for the purpose of this Section, a transfer of a majority of the stock of the Tenant or a transfer, issuance or dividing of

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stock of the Tenant sufficient to transfer control of the Tenant to persons or entities other than the present shareholders shall be deemed to be an assignment or subletting within the meaning of this Section and subject to the provisions, terms and conditions set forth herein;

and notwithstanding the foregoing, any request for the Landlord's consent to an assignment or subletting will be accompanied by such information as to the proposed assignee or sublessor and their business and financial responsibility, as the Landlord may reasonably require, together with the terms and conditions of the proposed assignment or subletting. The Landlord will have thirty (30) days following receipt of the Tenant's notice of intent to assign or sublet in which to consent to such assignment or subletting, and the Tenant will have thirty (30) days after receipt of the Landlord's consent in which to finalize in writing the assignment or subletting in accordance with the Landlord's written conditions of assignment or subletting. In the event that the Tenant does not finalize in writing the assignment or subletting within such 30 day period, the Landlord's consent to such assignment or subletting will be null and void.

### Section 11 Landlord's Covenants

#### 11.01 Quiet Enjoyment

Provided the Tenant pays all Rent reserved under this Lease and performs all the covenants, the Tenant will have quiet enjoyment of the Premises.

#### 11.02 Maintenance

Subject to Section 5 and Section 6, the Landlord will:

- (a) keep the exterior of the Premises and the Building in good order and condition;
- (b) repair when necessary (in the opinion of the Landlord's contractors) the following items:
  - (i) roof

and the costs of such maintenance, and repair may be amortized pursuant to section 5 unless such maintenance, repair or replacement are necessitated by the act or omissions of the Tenant, its agents, employees, invitees or licensees, in which case the costs will be borne solely by the Tenant.

#### 11.03 Parking

The Landlord will permit the Tenant, its employees, customers and invitees to use parking areas, sidewalks, driveways and landscaped areas.

#### 11.04 Insurance



The Landlord will purchase and maintain:

- (a) insurance against fire and other risks as are included in a standard fire and extended coverage insurance contract and insurance for such other perils as the Landlord, as a prudent owner, deems necessary;
- (b) as an endorsement to the policy of insurance referred to in Section 11.04(a), insurance against loss of rents in an amount equivalent to the Rent and Operating Costs payable under this Lease and other leases to tenants in the Building for the period of 120 days, or such longer period as the Landlord may prudently require from time to time.

Notwithstanding the Landlord's covenant in this section and notwithstanding any contribution by the Tenant to the cost of insurance premiums, the Tenant agrees that it is not relieved of any liability arising from or contributed to by its acts, fault, negligence or omissions, and no insurable interest is conferred on the Tenant under any policies of insurance carried by the Landlord and the Tenant has no right to receive any proceeds of any such insurance policies carried by the Landlord.

### Section 12 Provisos

#### 12.01 Total Destruction of Premises

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In the event of the total destruction caused by fire, the elements or other cause or casualty as shown by a Certificate of the Landlord's Architect or Engineer, which Certificate will be binding and conclusive upon the Landlord and the Tenant and which Certificate states that the Premises cannot reasonably be repaired within one hundred and twenty (120) days from the date of destruction to a state where the Tenant could use substantially all of the Premises and thereby renders the Premises unfit for use by the Tenant for the Tenant's business ("Total Destruction"), then this Lease will terminate effective the date of Total Destruction and the Tenant will immediately surrender the Premises and all its interest therein to the Landlord, and the Tenant will pay Rent and be liable for such sums accrued to the date of Total Destruction, whereupon the Landlord may re-enter and repossess the Premises discharged of this Lease.

**12.02 Partial Destruction of Premises**

In the event of partial destruction of the Premises by fire, the elements or other cause or casualty, the Certificate of the Landlord's Architect or Engineer as to whether the whole or a part of the Premises is rendered unusable and the area or extent rendered usable will be binding and conclusive upon the Landlord and Tenant ("Partial Destruction"). If, in the opinion of the Landlord's Architect or Engineer, the Partial Destruction is such that:

- (a) the Premises cannot be used for the Tenant's business until repaired, then Rent will abate from the date of such Partial Destruction until the repairs have been effected;
- (b) the Premises may be partially used for the Tenant's business concurrent to repairs being made, then the Rent will abate in the proportion that the unusable area of the Premises bears to the total area of the Premises;
- (c) the part rendered unusable exceeds one-half (1/2) of the total area of the Premises, then there will be a total abatement of Rent until the repairs have been made; and
- (d) with the Landlord's permission, the Tenant uses the undamaged part, then the Tenant will pay Rent in the proportion that the usable area of the Premises bears to the total area of the Premises.

Notwithstanding the above, if the Partial Destruction is repaired within fourteen (14) days of the date of destruction, there will be no abatement of Rent.

**12.03 Covenant to Repair Partially Destroyed Premises**

In the event of Partial Destruction, the Landlord will repair and restore the Premises to substantially the same condition as the Premises were in immediately before the Partial Destruction occurred, save as to normal wear and tear, and the Landlord will pay for the cost of such repair and restoration, subject to Section 12.05

**12.04 Landlord Indemnified for Destruction**

If Total Destruction or Partial Destruction of the Premises or the Building occurs, the Tenant will not have any claim upon the Landlord for any damages sustained by it, except if the Total or Partial Destruction is caused by the negligence or willful misconduct of the Landlord.

**12.05 Destroyed Premises Not Insured**



The Landlord will not have any obligation to repair Total or Partial Destruction in any of the above cases which are not covered by standard fire and extended perils insurance and, in each such case, this Lease may, at the option of the Landlord be terminated upon the Landlord giving thirty (30) days notice to the Tenant not later than sixty (60) days from the date of any such destruction.

**12.06 Liability for Damage to Persons or Property**

Except where death, injury, loss or damage results from the negligence or willful misconduct of the Landlord, its agents, servants or employees, the Landlord will not be responsible in any way for any injury to any person or for any loss or damage to any property belonging to the Tenant or its employees, invitees or licensees while such person or property is in or about the Premises, the Building or any driveways, parking areas, platforms, corridors or common areas including, but not limited to, any loss or damage to any property caused by theft or breakage, electric or other wiring or by steam, water, rain or snow which may leak into, issue or flow from any part of the Building or any adjacent or neighboring lands or from any other place or quarter or for any other loss or damage caused by or attributable to the condition or arrangement, or for any other loss whatsoever of the Tenant with respect to the Premises and the business of the Tenant carried on, and the Tenant will indemnify the Landlord against all loss, costs, claims or demands in respect of any injuries, loss or damage referred to in this Section.

**12.07 Fixtures**

All alterations, decorations, additions and improvements made by the Tenant or made by the Landlord on the Tenant's behalf (other than the Tenant's trade fixtures) will immediately become the property of the Landlord, without compensation to the Tenant, and the Landlord is under no obligation to repair, maintain or insure such alterations, decorations, additions or improvements. Such alterations, decorations, additions or improvements will not be removed from the Premises either during or at the expiration or termination of the Term, except that:

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(a) the Tenant may, during the usual or normal course of its business and with the prior written consent of the Landlord, (not to be unreasonably withheld) remove its trade fixtures, provided such trade fixtures have become excessive for the Tenant's purpose or the Tenant is substituting new and similar trade fixtures, and provided that in each case the Tenant is not in default under this Lease and further provided that such removal is at the Tenant's sole cost and expense, notwithstanding that the Tenant will, at the expiration of the Term and at its own cost, remove all its trade fixtures and its leasehold improvements and fixtures installed in the Premises if the Landlord requires the Tenant's trade fixtures and the Tenant's improvements to be removed;

(b) the Tenant will, in the case of every such installation or removal either during or upon expiration of the Term, effect such installation or removal at such time or times designated by the Landlord and the Tenant will promptly make good any damage caused to the Premises or the Building by the installation or removal of any such trade fixtures, and if the Tenant does not remove its trade fixtures at the expiration or termination of the Term, the trade fixtures will, at the option of the Landlord, become the sole property of the Landlord to be disposed in any manner it deems appropriate, and any costs incurred in such disposal will be recoverable from the Tenant as Additional Charges; and

(c) at the sole option of the Landlord, the Landlord may permit the Tenant to remove some alterations, decorations, additions or improvements at the end of the Term.

All electrical wiring, disconnect switches, breaker panels, fuses and other electrical equipment, lighting fixtures, all wiring for Tenant's equipment and machinery, installed by the Tenant shall remain part of the premises and shall not be removed without the Landlord's express permission.

**12.08 Expropriation**

If the whole or any part of the Premises or the Building shall be taken by any public authority under the power of eminent domain or expropriation, the term hereby granted shall cease from the day possession shall be taken for such public purposes, insofar as the premises so taken, comprises part of the Premises and the Tenant shall be liable only for Rent in respect of the Premises or part thereof so taken up to the day of the taking, and if less than the whole be so taken, the Landlord may of its option cancel and terminate this Lease with respect to the remainder of the Premises, but notice of such cancellation must be given to the Tenant within thirty (30) days after notice of such taking has been received by the Landlord, but if the Landlord shall not elect to cancel this Lease, the Tenant shall remain in possession of the remainder of the Premises and the rent thereof shall be reduced in proportion that the ground floor area of the space taken in the Premises bears to the whole rentable space of the Premises. All compensation or damages awarded in respect of such taking of the Premises and any diminution in value of the remainder thereof shall be the property of the Landlord, but the Tenant shall be entitled to receive such compensation or damages as it may be able to establish against such public authority in respect of loss of its business, depreciation of and cost of removal of stock and fixtures.

**Section 13  
Default and Termination**

**13.01 Default**

The tenancy granted by this Lease is expressly subject to the condition that if:

(a) the Tenant fails to pay any monthly installment of Rent or Operating Costs or other sums due on the day or dates appointed for payment; or

(b) the Tenant fails to observe or perform any other of the terms, covenants or conditions of this Lease to be observed or performed by the Tenant provided the Landlord first gives the Tenant five (5) days (or such shorter period of time as is otherwise provided) written notice of any such failure to perform and the Tenant, within a period of five (5) days thereafter fails to remedy any such failure to perform or commence diligently and thereafter to proceed diligently to remedy any such failure to perform; or


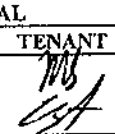
(c) the Tenant becomes bankrupt or insolvent or takes the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of its creditors; or

(d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or

(e) any steps, action or proceedings are instituted by the Tenant or by any other party including, but not limited to, any court or body of government of competent jurisdiction for the dissolution, winding-up or liquidation of the Tenant or its assets, voluntary or otherwise; or

(f) the Tenant makes a sale in bulk of its goods (other than a bulk sale made to any assignee or sublessee pursuant to a permitted assignment hereunder; or

(g) the Tenant abandons or attempts to abandon the Premises or sells or disposes of the trade fixtures, goods or chattels of the Tenant or removes them or attempts to remove them from the Premises without the consent in writing of the

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Landlord, save and except in the ordinary course of the Tenant's business or in the course of replacement or renovations;  
or

(h) the Premises become and remain vacant for a period of five (5) consecutive days or are used by any persons other than such as are entitled to use them; or

(i) the Tenant assigns, transfers, encumbers, sublets or permits the occupation or use, or the parting with or sharing possession of, all or any part of the Premises by anyone except in a manner permitted by this Lease; or

(j) any substantial portion of the goods or chattels on the Premises are at any time repossessed, seized, or taken in execution or attachment by any creditor(s) of the Tenant, whether under bill of sale, chattel mortgage, debenture, conditional sales contract, court order, lien note, lease of personal property, or consignment contract; or

(k) a Writ of Execution or Replevin Order is issued against the goods or chattels of the Tenant; or

(l) any insurance policy insuring the Building or the Landlord or tenants of the Building is canceled or is refused to be renewed by reason of the use and occupation of the Premises or any part thereof;

then the Term granted may, at the Landlord's option, become forfeit and void and the Landlord may, in addition to any other rights or remedies it has pursuant to this Lease or by law, without notice or any form of legal process whatsoever, forthwith re-enter the Premises or any part thereof in the name of the whole and repossess and enjoy the same as of its former estate, notwithstanding anything contained in any statute or law to the contrary, and such forfeiture shall be wholly without prejudice to the right of the Landlord to recover arrears of Rent or damages for any antecedent breach of its covenants, obligations or agreements under this Lease. Notwithstanding any such forfeiture the Landlord may subsequently recover from the Tenant compensation and/or damages for loss of Rent and Operating Costs suffered by reason of this Lease having been rendered forfeit and void as aforesaid, together with all legal costs and legal fees charged by the Landlord's solicitor on a solicitor/client basis and provided that no such re-entry or taking possession of the Premises by the Landlord shall be construed as an election on the part of the Landlord to terminate this Lease, unless at the time of or subsequent to such re-entry or taking of possession, written notice of such intention has been given to the Tenant or such termination is decreed by a Court of competent jurisdiction.

### 13.02 Landlord's Rights Upon Re-Entry

The Tenant agrees that in the event the Landlord is entitled to re-enter and re-take possession of the Premises, it may use such force as it may deem necessary for that purpose without being liable in respect of any loss or damage and the Tenant releases the Landlord from all actions, proceedings, claims and demands whatsoever for or in respect of any such forcible entry, or any loss or damage that may be sustained by the Tenant.

### 13.03 Re-Entry And Damages



If and whenever the Landlord is entitled to re-enter the Premises or does re-enter the Premises, the Landlord may either terminate this Lease by giving written notice of termination to the Tenant or by posting notice of termination in the Premises, and in such event the Tenant will immediately vacate and surrender the Premises or alternatively, the Landlord may from time to time without terminating the Tenant's obligations under this Lease, make alterations and repairs considered by the Landlord necessary to facilitate a sub-letting and sub-let the Premises or any part thereof as agent of the Tenant, for such term(s) and at such rental(s) and upon such other terms and conditions as the Landlord in its reasonable discretion considers advisable. Upon each sub-letting all rent and other monies received by the Landlord from the sub-letting will be applied first to the payment of indebtedness other than Rent due hereunder from the Tenant to the Landlord, second to the payment of costs and expenses of the sub-letting including brokerage fees and solicitors' fees and costs of the alterations and repairs, and third to the payment of Rent due and unpaid hereunder. The residue, if any, will be held by the Landlord and applied in payment of future Rent as it becomes due and payable. If the Rent received from the sub-letting during a month is less than the Rent to be paid during the month by the Tenant, the Tenant will pay the deficiency to the Landlord. The deficiency will be calculated and paid monthly. No re-entry by the Landlord will be construed as an election on its part to terminate this Lease unless a written notice of that intention is given to the Tenant. Despite a sub-letting without termination, the Landlord may elect at any time to terminate this Lease for a previous breach. If the Landlord terminates this Lease for any breach, the Tenant will pay to the Landlord on demand:

(a) Minimum Monthly Rent up to the time of re-entry or termination, whichever is later;

(b) all Additional Expenses and Operating Costs payable by the Tenant pursuant to the provisions hereof up until the date of re-entry or termination, whichever is later;

(c) such expenses as the Landlord may incur or have incurred in connection with re-entering or terminating and re-letting, or collecting sums due or payable by the Tenant, or realizing upon assets seized including brokerage expenses, legal fees and disbursements determined on a solicitor-client basis, and the expense of keeping the Premises in good order and repairing or maintaining the same or preparing the Premises for re-letting; and

(d) as liquidated damages for the loss of Rent and other income of the Landlord expected to be derived from this Lease during the period which would have constituted the unexpired portion of the term had it not been terminated, the

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amount, if any, by which the rental value of the Premises for such period established by reference to the terms and provisions of the Lease, exceeds the rental value of the Premises for such period established by reference to the terms and provisions upon which the Landlord re-lets them, if such re-letting is accomplished within a reasonable time after termination of this Lease, and otherwise with reference to all market and other relevant circumstances. Rental value is to be computed in each case by reducing to present worth at an assumed interest rate of 10% per annum all Rent and other amounts to become payable for such period and where the ascertainment of amounts to become payable requires it, the Landlord may make estimates and assumptions of fact which will govern unless shown to be unreasonable or erroneous.

**13.04 Application of Monies on Default**

Upon the occurrence of any default referred to in Section 13.01, the full amount of the current month's Rent installment together with the next three (3) months' installments of Rent and such aggregate payments for the next three (3) months will immediately become due and payable as accelerated rent, and the Landlord may immediately distrain for the same, together with any arrears then unpaid.

**13.05 Interest**

The Tenant will pay the Landlord interest at the rate of twelve (12%) percent per annum on all overdue payments required to be made by the Tenant to the Landlord under any one or more of the provisions of this Lease, including all expenses incurred by the Landlord resulting from the default of the Tenant as provided in this Section.

**13.06 Landlord May Pay Taxes or Charges on Default**

If the Tenant fails to pay when due any taxes, rates, insurance premiums or charges which it has covenanted to pay, the Landlord may pay any such taxes, premiums, rates and charges and charge the sums so paid to the Tenant, who will pay them immediately on demand and the Landlord, in addition to all other rights, shall have the same remedies and may take the same steps for the recovery of all such sums as it might have taken for arrears of Rent or Operating Costs, and any monies paid by the Landlord will bear interest as provided in Section 13.05 from the time such arrears become due until paid to the Landlord.

**13.07 Landlord's Performance on Tenant's Behalf**

Subject to Section 9.02, if the Tenant fails to perform any of its covenants or obligations under or in respect of this Lease the Landlord may, from time to time in its discretion, perform or cause to be performed any of such covenants or obligations or any part thereof, and for such purpose may do such things as may be required including, but not limited to, entering the Premises to do such things upon or in respect of the Premises or any part thereof and all expenses incurred, and any expenditures made by or on behalf of the Tenant under this Section will be immediately paid by the Tenant to the Landlord, and if not paid will bear interest as provided in Section 13.05 from the date the same were incurred or made, and such expenses will be recoverable by the Landlord in the same manner as rent in arrears.

**13.08 Distress**

In the event that the Tenant has failed to pay any monthly installment for Rent or Operating Costs or other sums due under this Lease on the day or dates appointed for payment, and the Landlord is entitled to distrain against the goods of the Tenant, the Tenant agrees that the Landlord will be entitled to distrain for Rent and other charges owing, together with rent otherwise payable over the next three month period and such collective amount shall be treated as amounts due and owing under this Lease as Rent as at the date the Landlord first became entitled to distrain against the goods of the Tenant.

**13.09 Distress of Goods Off Premises**

The Tenant further agrees that the Landlord, in addition to any remedy otherwise provided by law, may seize and sell the goods and chattels of the Tenant for payment of Rent, at any time and at any place to which the Tenant or any other person may have removed such goods and chattels, in the same manner as if such goods and chattels had remained and been distrained upon the Premises.

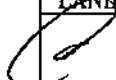

**13.10 Forbearance**

No condonation, forgiveness or waiver of forbearance by the Landlord of any non-observance or non-performance by the Tenant of any of the provisions hereunder will operate as a waiver or estoppel by or against the Landlord in respect of any provision or any subsequent non-observance or non-performance by the Tenant of any of the provisions hereunder.

**13.11 Application of Monies**

The Tenant agrees that all Rent received by the Landlord may be applied by the Landlord towards payment of such sums constituting Rent at the date of such payment, irrespective of the purpose for which such Rent was tendered.

**13.12 Legal Fees and Disbursements**

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If the Landlord at any time incurs legal fees and costs in obtaining legal advice or instituting or prosecuting any action or proceedings based upon any default of the Tenant under this Lease, all fees and costs (on a solicitor/client basis) will be payable by the Tenant to the Landlord and all such fees and costs will be payable by the Tenant to the Landlord upon demand for payment being made, and be recoverable by the Landlord as Additional Rent.

## Section 14 Liens and Security Interest

### 14.01 Liens or Charges Against the Premises

The Tenant will not permit any construction, mechanics or similar lien to stand against the Premises for any labour or material furnished to or with the consent of the Tenant, its agents or contractors. Notwithstanding the aforementioned, the Tenant will have the right to contest the validity of or the amount claimed under or in respect of any such lien if such contest involves no forfeiture, foreclosure or sale of the Premises or any part thereof, and upon the final determination of such contest, the Tenant will immediately pay and satisfy any judgment or decree rendered against it, together with all due costs and charges and cause such lien to be discharged and released without cost or expense to the Landlord. In the event that such lien is not removed from title to the Lands within two (2) days of the Tenant receiving notice from the Landlord to have it removed, the Landlord, at its sole option, shall be entitled to exercise any or all of its remedies under this Lease, including its rights of re-entry and termination. The Landlord may, at its sole option, initiate and prosecute any action against a third party, either on its own behalf or on behalf of the Tenant and all at the expense of the Tenant, for removal of the security notice after the expiry of the two (2) day notice period for the Tenant to remove such lien.

### 14.02 No Chattel Security Interests

The Tenant will not grant a security interest in any goods that have become affixed to the Lease to the Premises, other than trade fixtures and the Tenant will not affix to the Lease to the Premises any goods that are subject to a security interest.

### 14.03 No Security Interest Notices

The Tenant will not permit any notice claiming a security interest in any fixture other than trade fixtures to be registered against the title to the Lands and will, immediately upon demand of the Landlord, remove or cause to be removed any such notice and institute and prosecute proceedings pertinent thereto. In the event that such security interest notice is not removed from title to the Lands within two (2) days of the Tenant receiving notice from the Landlord to have it removed, the Landlord, at its sole option, will be entitled to exercise any or all of its remedies under this Lease, including its rights of re-entry and termination. The Landlord may, at its sole option, initiate and prosecute any action against a third party, either on its own behalf or on behalf of the Tenant and all at the expense of the Tenant, for removal of the security notice after the expiry of the two (2) day notice period for the Tenant to remove the security notice.



## Section 15 Miscellaneous

### 15.01 Surrender

The Tenant shall, subject to any provisions of Section 12.07 or this Section 15.01 to the contrary, at the expiration or sooner termination peacefully surrender and yield up to the Landlord all and every part of the Premises together with all buildings, structures and fixtures (excepting trade fixtures) including all appurtenances, alterations, repairs, additions and replacements thereto all in good order, condition and repair, the exceptions to the Tenant's repair obligations only excepted. Provided always, that the Tenant shall, on the expiration or sooner termination of this Lease, sever and remove any and all fixtures which are not or have not become the property of the Landlord and the Tenant shall forthwith restore and repair the Premises and any damage caused as a result of such severance or removal. If the Tenant does not so sever and remove in the time hereinbefore limited, the Landlord, at its option, may do so at the expense of the Tenant and the Tenant will have no interest whatsoever therein. Provided always, that no such fixtures and no goods or chattels of any kind will, except in the ordinary course of business, be removed from the Premises during the first term or at any time thereafter without the written consent of the Landlord first had and obtained, until all rent in arrears has been fully paid.

### 15.02 Overholding

If the Tenant continues to occupy the Premises after the expiration of the Term of this Lease with the consent of the Landlord, and without any further written agreement, the Tenant will become a monthly tenant at a monthly rental equal to the Rent and Operating Costs payable during the Term granted, such rental to be payable in advance on the first day of each and every month and such monthly tenancy to be on the terms and conditions and subject to all other tenancy charges and amounts payable except as to the length of tenancy and that both the Landlord and the Tenant will have the right to terminate such overholding on one month's written notice to the other. Notice shall be given on or before the last day of the month immediately prior to the next ensuing month in which the termination is to take effect.

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15.03 Force Majeure

In the event that either party hereto is delayed, hindered or prevented from the performance of any act by reason of strikes, lockouts, labour troubles, inability to procure materials, failure of power, restrictive government laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act will be excused for the period of delay, and the period for the performance of any such act will be extended for a period equivalent to the period of such delay. The provisions of this paragraph will not operate to excuse the Tenant from the prompt payment of Rent nor entitle the Tenant to compensation for any inconvenience, nuisance or discomfort.

15.04 Right of First Refusal

a) In consideration of the sum of one dollar and other good and valuable consideration paid by the Tenant to the Landlord, the receipt and sufficiency of which is hereby acknowledged, the Landlord hereby grants to the Tenant during its tenancy a right of first refusal to acquire the Property, or any portion thereof, or interest therein, on the terms and conditions set out in this agreement.

b) For the purposes of this clause:

(a) "First Refusal Offer" means any offer to purchase whereby the Landlord disposes of or conveys or agrees to dispose of or convey, either directly or indirectly, all or any portion of the Lands or all or any portion of its interest therein;

(b) "Disposition" means the conveyance, sale, transfer, assignment or any other disposition whatsoever, either directly or indirectly, of all or any portion of the Landlord's interest in the Lands, whether its legal or beneficial interest or both.

c) The Landlord shall not permit a Disposition of the Lands to occur until it has first offered the Tenant the right to acquire the interest in the Lands contained in the First Refusal Offer on the identical terms and conditions set out therein. Upon receipt of any First Refusal Offer the Landlord shall immediately deliver to the Tenant at its address set out in this lease a complete and true originally executed copy thereof.

d) Upon receipt of the First Refusal Offer, the Tenant shall have thirty (30) days to advise the Landlord in writing whether it elects to acquire the interest in the Property contained in the First Refusal Offer on the same terms and conditions set out therein. If the Tenant does not advise the Landlord in writing within the required time that it elects to acquire the interest in the Lands contained in the First Refusal Offer on the terms and conditions set out therein, the Tenant shall be deemed to have rejected such offer.

e) If the Tenant notifies the Landlord that it does not elect to acquire the interest in the Lands contained in the First Refusal Offer or is deemed to have rejected such offer, the Landlord may then proceed with the Disposition of the interest in the Lands as contained in the First Refusal Offer, but only upon and subject to the terms and conditions contained therein and not otherwise. For greater certainty the parties acknowledge and agree that if the terms and conditions of the First Refusal Offer are at any time changed, altered or amended in any substantive way following the Tenant's rejection or deemed rejection of the First Refusal Offer, the Landlord shall not permit a Disposition of the Lands to occur unless it has first complied on all such occasions with the requirements of this agreement.

f) If the Tenant does not elect to acquire the interest in the Lands contained in the First Refusal Offer or is deemed to have rejected such offer, the Tenant's right of first refusal shall terminate regardless whether that transaction closes or not.



h) If the Tenant advises the Landlord that it elects to acquire the interest in the Lands contained in the First Refusal Offer then the transaction contemplated therein shall close and be completed subject to and in accordance with the terms and conditions of the First Refusal Offer.

i) Any notice, correspondence or communication (collectively called a "Notice") required to be given shall be sufficiently given if delivered in person addressed to the parties as set out herein.

k) Time shall be and remain of the essence of this agreement.

l) If any term, covenant or condition of this agreement or the application thereof to any party or circumstance shall to any extent be invalid or unenforceable, the remainder of this agreement or application of its terms, covenants or conditions to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and every term, covenant or condition of this agreement shall be valid and shall be enforceable to the full extent permitted by law.

m) This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands.

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15.05 (Intentionally Deleted)

15.06 Notices

All notices given by either the Landlord or the Tenant will be in writing and sent either by postage prepaid registered mail or delivered in person by agent or by facsimile transmission and addressed to the Landlord to:

AUTOBAHN AUTO WORKS LTD.  
Box 62, Delacour, Alberta  
T0M 0Z0 *OTD*

and if to the Tenant, to the Premises at:

SUNRIDGE COLLISON LTD.,  
1020 - 9<sup>th</sup> Avenue SE  
Calgary, Alberta

Any notice or other document mailed as aforesaid will be conclusively deemed to have been given three (3) business days following the day on which such notice is mailed as aforesaid. Any notice or other document sent by facsimile transmission shall be conclusively deemed to have been given on the next business day following the day of transmission. Either the Landlord or the Tenant may at any time give notice in writing to the other of any change of address and from and after the giving of such notice, the address specified is deemed to be the address of such party for the giving of notices or other documents.

15.07 Landlord's Work

The Tenant agrees that there is no promise, representation or undertaking, by or binding upon, the Landlord with respect to any alteration, remodeling, decorating, or installation of equipment or fixtures in the Premises, and that the Tenant is taking the Premises on an "as is, where is" basis.

15.08 Tenant's Work

- (a) All improvements to the Premises in excess of the Landlord's Work;
- (b) All changes desired by the Tenant to the Landlord's Work are subject to the Landlord's approval and shall be deemed Tenant's Work;
- (c) No construction work shall be undertaken or commenced by the Tenant in the building until:
  - (i) All permits necessary for the installation of Tenant's improvements and approval have been obtained by the Tenant from applicable municipal and other government departments, prior to the commencement of the installation by the Tenant, and copies provided to the Landlord;
  - (ii) A Certificate of Insurance is provided to the Landlord showing that a valid insurance policy is in place naming the Landlord as co-insured for a minimum general liability of no less than TWO MILLION DOLLARS (\$2,000,000.00);
  - (iii) Proper documentation has been provided by the Tenant to the Landlord verifying that provisions have been made by the Tenant for payment in full of all costs of the Tenant's Work.

15.09 No Waiver

The failure of the Landlord or the Tenant to insist upon strict performance of any covenants or other provisions will not be deemed a waiver of any rights or remedies the Landlord or the Tenant may have, and will not be deemed a waiver of any subsequent breach of the covenants and provisions in this Lease. The rights and remedies of the Landlord and the Tenant in this Lease or otherwise available to either of them at law may be exercised and enforced either concurrently or successively.

15.10 Enurement

This Lease Agreement will extend to, enure to the benefit of and be binding upon the parties to this Lease and their successors, administrators and assigns.

15.11 Foreclosure

In the event any proceedings are brought for foreclosure of, or in the event of exercise of the power of sale under any mortgage, deed of trust, underlying lease agreement or any other financing mentioned and made by the Landlord upon security of the Premises, the Tenant if so requested will attorn to the mortgagee or the purchaser upon any such foreclosure or sale and recognize such mortgagee or purchaser as the Landlord under this Lease, provided that no such

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<i>[Signature]</i>	<i>[Signature]</i>

assignment by the Landlord and no such subordination or attornment by the Tenant will have the effect of disturbing the Tenant's occupation of the Premises so long as the Tenant is not in default under this Lease and complies with all the covenants, terms and conditions on its part to be performed.

15.12 Registration of Caveat

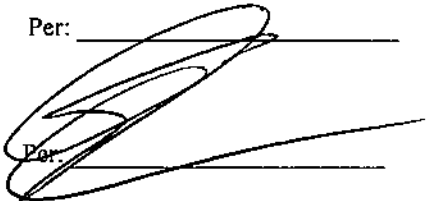
The Tenant may register a caveat only respecting this Lease and agrees to execute and file a discharge of any caveat upon the expiration of this Lease or termination thereof as provided for herein, and failing which the Tenant appoints the Landlord as his irrevocable attorney to execute such discharge. The Tenant agrees to postpone such caveat to any financing required to be placed by the Landlord from time to time.

15.13 Cumulative Remedies

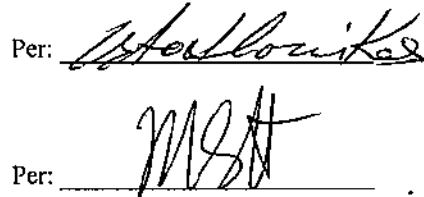
All rights and remedies of the Landlord enumerated in this Lease are cumulative and none will exclude any other right or remedy allowed by law.


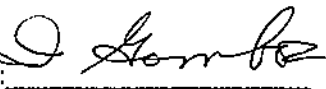
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.


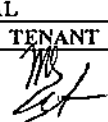
AUTOBAHN AUTO WORKS LTD.

Per: 

SUNRIDGE COLLISON LTD

Per: 

Witness:   
Witness: 

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**LEASE EXTENSION AGREEMENT EXECUTED IN TRIPLICATE  
THIS 4 DAY OF APRIL, 2017.**

**BETWEEN:**

**AUTOBAHN AUTO WORKS LTD.,  
a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Landlord")**

**First Party**

**-and-**

**SUNRIDGE COLLISION LTD.,  
a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Tenant")**

**Second Party**

**WHEREAS:**

- A. **The Landlord is the owner of the lands legally described as:**
- PLAN: 8710359  
BLOCK: 6  
LOT: 13  
EXCEPTING THEROUT ALL MINES AND MINERALS**
- (the "Lands")**
- B. **A building is located on the Lands, which is municipally described as 2601-29<sup>th</sup> Street NE, Calgary, Alberta (the "Building");**
- C. **The parties executed a lease dated May 14, 2007 related to the Lands and the Building (collectively "the Premises") with the term of the lease commencing May 15, 2007 and ending April 30, 2012 ("the Lease");**
- D. **The tenant has exercised its option to renew pursuant to paragraph 3.02 of the Lease for a further 5 year period;**

**THE PARTIES AGREE AS FOLLOWS:**

1. **The Tenant will have and hold the Premises for and during the Term which will be Unless terminated earlier as herein provided, the period of five (5) years from and Including the 1<sup>st</sup> day of May, 2017 (the "Commencement Date") to and including The thirtieth (30<sup>th</sup>) day of April 2022 ( the "Term").**

*MS*



2. **The Tenant will pay the Landlord at such place as the Landlord may from time to time designate in writing, without deduction or set-off, a basic annual rent as set out herein plus GST commencing on the Commencement Date ("the Basic Annual Rent"); namely:**

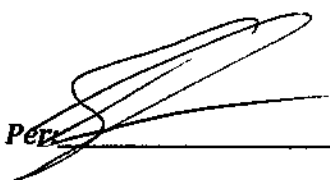
<b>Period</b>	<b>Basic Annual Rent (Excluding GST)</b>	<b>Basic Monthly Rent (Excluding GST)</b>
<b>May 1,2017 to April 30,2018</b>	<b>\$197,001.12</b>	<b>\$16,416.76</b>
<b>May 1, 2018 to April 30,2019</b>	<b>\$197,001.12</b>	<b>\$16,416.76</b>
<b>May 1,2019 to April 30,2020</b>	<b>\$202,911.12</b>	<b>\$16,909.26</b>
<b>May 1,2020 to April 30,2021</b>	<b>\$208,998.48</b>	<b>\$17,416.54</b>
<b>May 1,2021 to April 30,2022</b>	<b>\$215,268.48</b>	<b>\$17939.04</b>

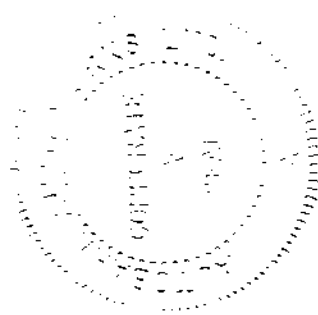
3. **All other terms of the lease shall remain in force and effect and shall apply to this Lease Extension Agreement except that paragraph 3.02 of the Lease shall be amended to Provide that there shall be one further option to renew for a further five year period.**
4. **The Tenant confirms that the Landlord is not in default under any obligation of the Landlord pursuant to the Lease, that there are no disputes or claims outstanding by The Tenant against Landlord in respect of any past billings, rental recoveries or any Other matters pertaining to the Lease and the Landlord is relying upon this Confirmation in executing this Lease Extension Agreement.**
5. **Subject to the provisions of any written collateral agreements, this Lease contains the Entire agreement between the parties which is admitted so that they will be forever estopped from asserting to the contrary that there is any representation, condition Precedent or warranty whatsoever to the within Lease. Any offer to lease made by the Tenant to the Landlord in respect of the Premises will be merged in the Lease except to The extent that such offer to lease specifically provides for non-merger of its terms in This Lease and execution hereof by the Tenant will constitute an acknowledgment from The Tenant that the Landlord's obligations have been fully performed and satisfied Except to the extent stated herein. Delivery of an unsigned copy of this Lease to the Tenant, notwithstanding insertion of all particulars in the Lease and presentation Of any cheque or acceptance of any monies by the Landlord given by the Tenant as a Desposti, does not constitute an offer by the Landlord and no contractual or other legal Right will be created between the parties hereto until this Lease has been fully executed By both parties and delivery has been made of any executed copy of this Lease to the Tenant.**

6. ***If any term, covenant or condition of this Lease Extension Agreement or the Application thereof to any person or circumstances is to any extent invalid or Unenforceable, the remainder of this Lease or application of such term, Covenant or condition to persons or circumstances other than those as to Which it is held invalid or unenforceable will not be affected thereby, and Each term, covenant or condition of this Lease will be valid and will be Enforced to the fullest extent permitted by law***

***IN WITNESS WHEREOF the parties hereto have executed this Agreement as of The day and year first written above.***

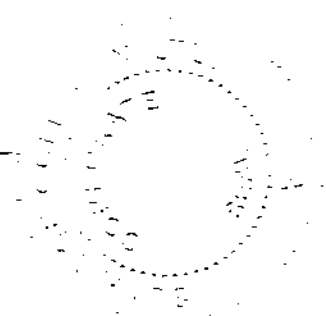
**AUTOBAHN AUTO WORKS LTD**

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



**SUNRIDGE COLLISION LTD**

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



FORM 17  
LAND TITLES ACT  
(Section 107)  
POSTPONEMENT

**SUNRIDGE COLLISION LTD.** being the caveator in the caveats registered in the Land Titles Office as instrument numbers **071 307 387** and **121 094 095** hereby agrees to the postponement of its rights in the following land:

PLAN 8710359  
BLOCK 6  
LOT 13  
EXCEPTING THEREOUT ALL MINES AND MINERALS

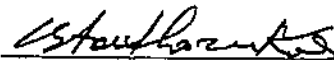
to the rights in and to that land of THE TORONTO DOMINION BANK in the following instruments:

Mortgage with registration number 121 108 691 and Caveats registration numbers 121 129 191 and 121 129 192.

IN WITNESS WHEREOF, the undersigned has hereunto affixed its name and corporate seal this 18 day of May, 2012.

SUNRIDGE COLLISION LTD.

Per:



Name: Chris Stathonikos

LEASE EXTENSION AGREEMENT EXECUTED IN TRIPLICATE  
THIS 16 DAY OF APRIL, 2012.

BETWEEN:

AUTOBAHN AUTO WORKS LTD.,  
a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Landlord")

First Party

- and -

SUNRIDGE COLLISION LTD.,  
a body corporate having an office  
in the City of Calgary, in the Province of Alberta  
(the "Tenant")

Second Party

WHEREAS:

A. The Landlord is the owner of lands legally described as:

PLAN: 8710359

BLOCK: 6

LOT: 13

EXCEPTING THEROUT ALL MINES AND MINERALS

(the "Lands")

B. A building is located on the Lands, which is municipally described as 2601 – 29<sup>th</sup> Street NE, Calgary, Alberta (the "Building");

C. The parties executed a lease dated May 14, 2007 related to the Lands and the Building (collectively "the Premises") with the term of the lease commencing May 15, 2007 and ending April 30, 2012 ("the Lease");

D. The tenant has exercised its option to renew pursuant to paragraph 3.02 of the Lease for a further 5 year period;

THE PARTIES AGREE AS FOLLOWS:

1. The Tenant will have and hold the Premises for and during the Term which will be, unless terminated earlier as herein provided, the period of five (5) years from and including the 1<sup>st</sup> day of May, 2012 (the "Commencement Date") to and including the thirtieth (30<sup>th</sup>) day of April 2017 (the "Term").





2. The Tenant will pay the Landlord at such place as the Landlord may from time to time designate in writing, without deduction or set-off, a basic annual rent as set out herein plus GST commencing on the Commencement Date ("the Basic Annual Rent"); namely:

Period	Basic Annual Rent (Excluding GST)	Basic Monthly Rent (Excluding GST)
May 1, 2012 to April 30, 2013	\$175,032.96	\$14,586.08
May 1, 2013 to April 30, 2014	\$180,283.92	\$15,023.66
May 1, 2014 to April 30, 2015	\$185,692.44	\$15,474.37
May 1, 2015 to April 30, 2016	\$191,263.20	\$15,938.60
May 1, 2016 to April 30, 2017	\$197,001.12	\$16,416.76

3. All other terms of the Lease shall remain in force and effect and shall apply to this Lease Extension Agreement except that paragraph 3.02 of the Lease shall be amended to provide that there shall be one further option to renew for a further five year period.
4. The Tenant confirms that the Landlord is not in default under any obligation of the Landlord pursuant to the Lease, that there are no disputes or claims outstanding by the Tenant against Landlord in respect of any past billings, rental recoveries or any other matters pertaining to the Lease and the Landlord is relying upon this confirmation in executing this Lease Extension Agreement.
5. Subject to the provisions of any written collateral agreements, this Lease contains the entire agreement between the parties which is admitted so that they will be forever estopped from asserting to the contrary that there is any representation, condition precedent or warranty whatsoever to the within Lease. Any offer to lease made by the Tenant to the Landlord in respect of the Premises will be merged in the Lease except to the extent that such offer to lease specifically provides for non-merger of its terms in this Lease, and execution hereof by the Tenant will constitute an acknowledgment from the Tenant that the Landlord's obligations have been fully performed and satisfied except to the extent stated herein. Delivery of an unsigned copy of this Lease to the Tenant, notwithstanding insertion of all particulars in the Lease and presentation of any cheque or acceptance of any monies by the Landlord given by the Tenant as a deposit, does not constitute an offer by the Landlord and no contractual or other legal right will be created between the parties hereto until this Lease has been fully executed by both parties and delivery has been made of an executed copy of this Lease to the Tenant.

6. If any term, covenant or condition of this Lease Extension Agreement or the application thereof to any person or circumstances is to any extent invalid or unenforceable, the remainder of this Lease or application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable will not be affected thereby, and each term, covenant or condition of this Lease will be valid and will be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.

AUTOBAHN AUTO WORKS LTD.

Per: 

SUNRIDGE COLLISION LTD

Per: 



**THIS IS EXHIBIT "56" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

ADDENDUM TO LEASE PAYMENT DATED DECEMBER 21,2022

HANSFELD PROPERTIES LTD

&

ARROW AUTOBODY LTD

IN REFERENCE TO PROPERTY LOCATED AT 3648 BURNSLAND ROAD SE, CALGARY ,ALBERTA

IT IS MUTUALLY AGREED BY BOTH PARTIES, THAT A REQUEST BY ARROW AUTOBODY LTD , THE TENANT AT 3648 BURNSLAND RD SE CALGARY, TO OBTAIN A 3 MONTH RENT HOLIDAY STARTING JANUARY 1, 2023 TO MARCH 31 2023. THE TOTAL AMOUNT OF ARREARS IN THE AMOUNT OF \$67,343.49 + GST WILL BE REPAID IN EQUAL PAYMENTS OF \$5611.96 + GST STARTING JANUARY 1,2024 TO DEC1,2024.

WE ARE ALSO IN AGREEMENT TO REDUCE THE RENTAL SQUARE FOOTAGE RATE BY \$1.00 PER SQ FOOT STARTING APRIL 1,2023 TO THE END OF 2025.

THIS WILL REFLECT IN NEW RENTAL AMOUNTS OF \$ 20899.20 + GST COMMENCING APRIL 1,2023

ALL OTHER PARTS OF THE ORIGINAL LEASE AGREEMENT SHALL REMAIN THE SAME AS EXECUTED ON FEBRUARY 29 ,2016.

IT IS UNDERSTOOD THAT THE EFFECTIVE DATE OF THIS ADDENDUM IS January 1, 2023.

IN WITNESS WHEREOF THE PARTIES HERTO HAVE EXECUTED THIS INDENTURE THIS 3 DAY OF JANUARY ,2023

HANSFELD PROPERTIES LTD

AUTHORIZED SIGNATURE HANS LENGSFELD

ARROW AUTOBODY LTD

  
AUTHORIZED Signature Shane Daerden

**LEASE AGREEMENT**

**BETWEEN**

**HANSFELD PROPERTIES LTD.**

**-AND-**

**Arrow Autobody Ltd.**

**(3648 Burnsland Road SE, Calgary, AB T2G 3Z2)**

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**THIS INDENTURE made as of the 1st day of March, A.D., 2021**

**BETWEEN: HANSFELD PROPERTIES LTD.**, a body corporate with offices at 3636 Burnsland Road SE, in the City of Calgary, in the Province of Alberta.  
(hereinafter referred to as the "Lessor")  
**OF THE FIRST PART**

-and-

**ARROW AUTOBODY LTD.**, a body corporate with offices at 4610 – 112 Ave. SE, in the City of Calgary, in the Province of Alberta.  
(hereinafter referred to as the "Lessee")  
**OF THE SECOND PART**

**LEASE:**

**1.00** The Lessor being registered as owner, subject however to such encumbrances, liens and interests as are notified by memorandum on the existing Certificate of Title therefore of the lands, herein referred to as "the lands", more particularly described in Schedule "A", Part I, annexed hereto, and being owner of the building or buildings, hereinafter referred to as "the building", now erected or being erected and situate on the lands, does hereby lease unto the Lessee all and singular those certain premises described in the said Schedule, Part II, hereinafter referred to as "the demised premises", situated in the City of Calgary, in the Province of Alberta.

**TERM:**

**2.00** To have and to hold the demised premises and to be held by the Lessee for and during the term of five (5) years commencing on the 1<sup>st</sup> day of March 2021 and ending on the 28<sup>th</sup> day of February, 2026, at the rent and subject to the covenants and powers hereinafter set forth which the Lessor and the Lessee each agree with the other to pay, observe and perform as the same may be applicable to each of them respectively.

**RENT:**

**3.00** Yielding and paying therefore for the year during the said term unto the Lessor the sum of Two Hundred Seventy Four Thousand Three Hundred and Fifty Nine Dollars Twenty Five Cents (\$274,359.25) of lawful money of Canada to be paid in advance in equal monthly installments of Twenty Two Thousand Eight Hundred and Sixty Three Dollars and Twenty Seven Cents (\$22,863.27), on the first day of each and every month during the said term to the Lessor, the first of such payments to be made on the 1<sup>st</sup> day of March 2021, towards which sums the Lessee has paid to the Lessor the sum of Twenty Two Thousand Four Hundred and Forty Seven Dollars and Eighty Three Cents and (\$22,447.83) as a deposit and representing part of the first month's base rent, additional rent as hereinafter set forth and Goods and Services Tax. If the Lessee shall gain satisfactory occupation on any day other than the first day of a calendar month, rent for the fraction of the month shall be adjusted, and the above term shall commence on the first day of the next succeeding month.

**DEPOSIT:**

**3.01** The Lessee as additional consideration for the execution of this Lease by the Lessor shall pay to the Lessor the sum of Twenty Two Thousand Four Hundred and Forty Seven Dollars and Eighty Three Cents (\$22,447.83) prior to occupancy of the demised premises. The Deposit shall be applied as a security for the due performance by the Lessee of all of the covenants and obligations on its part herein contained, the Lessor hereby reserving unto itself at its sole discretion the right to apply such sum to any damages resulting

from any default by the Lessee of any of its covenants and obligations hereunder or towards Base Rent or Additional Rent. If the Deposit hereunder shall be applied in accordance with the provisions hereof, the Lessee covenants to provide sufficient funds to ensure that the Deposit remains at the level herein before indicated within ten (10) days of receipt of the Lessor's notice therefor. The application of the Deposit as aforesaid shall be without prejudice to the Lessor in pursuing any of its other rights and remedies contained in this lease. Provided the Lessee is not then in default under the lease and provided that the Lessee has not, in any way, damaged the Demised Premises, the Lessor shall, within Sixty (60) days of the Lessee's vacating the Demised Premises, return to the Lessee the balance of the security deposit referred to in this section 3.01 without interest.

**PREMISES:**

**4.01** The demised premises shall consist of Eighteen Thousand Five Hundred and Forty One (18,541) square feet of shop and Fourteen Hundred (1400) square feet of lunch room and storage space, now constructed or to be constructed and completed by the Lessor for the purposes hereof as set forth and described in the mutually accepted drawings in that respect prepared by the Lessor, together with the Lessee rights described in Clause 5.00 hereof, and if there shall be a variation by the Lessee in said drawings or rights which shall attract higher costs, such costs shall be added and amortized with rent over the initial term of this Lease.

**4.02** Provided however, the Lessee shall examine the demised premises before taking possession hereunder and such taking of possession shall be conclusive evidence as against the Lessee that at the time thereof the demised premises were fully completed, in good order and satisfactory condition and that, subject to Clause 7.01 hereof and any mutually agreed list of deficiencies, nothing further was to be done by the Lessor in or with respect to the demised premises or require any prior Lessee to remove its leasehold improvements.

**4.03** The Lessee shall not without the prior written consent of the Lessor, not to be unreasonably withheld, use the demised premises nor allow the demised premises to be used for any other purpose than that for which same are hereby leased, namely; an auto body repair shop.

**4.04** The Lessee shall not at any time during the said term, use, exercise or carry on or permit or suffer to be used, exercised or carried on, in or upon the demised premises or any part thereof any noxious, noisome, dangerous or offensive art, trade, business, occupation or calling, and no act, matter or thing whatsoever shall at any time during the said term be done or brought in or upon the demised premises or any part thereof which shall or may be an annoyance, nuisance, damage, disturbance or danger of or to the occupiers or owners of the building, the lands or adjoining land and properties or which may void insurance or increase the rate thereof.

**LESSEE RIGHTS:**

**5.01** The Lessor agrees that during the term of this Lease the Lessee and the employees, agents, customers and invitees respectively of the Lessee shall have the rights set forth in Schedule "A", Part III, hereto annexed, in common with other Lessees as required, subject to the Lessee's compliance with the provision thereof and of this Lease. The Lessee agrees that the rules and regulations attached hereto as Schedule "B", with such reasonable variations, modifications and additions as shall from time to time be made by the Lessor for the more orderly use and control of the building, parking areas and lands and communicated to the Lessee and other Lessees in writing shall be observed and performed by the Lessee, and all whereof shall be read as forming part of the terms of this Lease as if the same were embodied herein.



**5.02** The Lessor hereby covenants with the Lessee that the Lessee paying the rent hereby reserved and performing the covenants hereinbefore on the Lessee's part contained, shall and may peaceably possess and enjoy the demised premises for the term hereby granted and except as herein provided without any interruption or disturbance from the Lessor or any other person or persons lawfully claiming by, from, or under the Lessor.

**DELAY:**

**6.01** If the demised premises shall not be available for occupancy by the Lessee upon the date of commencement of the term hereby demised, the rent under this Lease shall abate until the demised premises are available for occupancy and the Lessor shall not be liable in any way for the consequences of occupancy not being available to the Lessee upon the date of commencement.

**6.02** Whenever and to the extent that the Lessor shall be unable to fulfil or shall be delayed or restricted in the fulfillment of any obligation hereunder in respect to the supply or provision of any service or utility or the doing of any work by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrative controller or board of any governmental department or officer or other authority or by reason of not being able to obtain any permission or authority required thereby or by reason of any other cause beyond its control whether of the foregoing character or not, but nonetheless excluding the financial inability of the Lessor, the Lessor shall be relieved from the fulfillment of such obligation and the Lessee shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned. There shall be no deduction from the rent by reason of such failure or cause unless it materially affects the Lessee's use and occupation of the demised premises, in which event there shall be a proportionate adjustment of rent during the period thereof.

**STRUCTURE:**

**7.01** The Lessor warrants that the building is or will be constructed to standards acceptable to the Municipal Corporation of the City of Calgary and in keeping with its Certificate of Compliance and all relevant by-laws, codes and regulations, and without restricting the generality thereof, that the building and all its appurtenances are or will be made free of defects and in good and sufficient operative condition for the purposes of the tenancy herein on or reasonably following occupation hereunder.

**7.02** Exclusive of such items as are the obligation of the Lessee herein, the Lessor covenants and agrees that it shall repair and maintain the structure of the building in which the demised premises are situate, and without restricting the generality thereof the exterior painting of cladding, doors and trim, and the Lessor shall be liable to make good any damage or damages as the result of failure of all or any part of such structure. If the Lessee is the first Lessee to occupy the demised premises, the Lessor further warrants that the building, the demised premises and all appurtenances and fixtures caused to be installed by the Lessor

therein shall for a period of six (6) months from the Lessee's date of occupation be in good and sufficient operative condition or shall be promptly rectified to that condition at no cost to the Lessee.

**CARE OF THE PREMISES:**

**8.01** The Lessee during the term hereof shall occupy the demised premises in a Lessee-like manner, shall not permit waste, shall well and sufficiently keep and protect demised premises and all appurtenances and

fixtures therein in good, substantial and sanitary condition, shall obey all preventative measures and operating instructions of the Lessor relative thereto, shall repair, maintain and amend demised premises, and if the same or the glass, hardware, light fixtures, plumbing and other fixtures, air conditioning, heating and other mechanical apparatus in and upon demised premises become damaged, destroyed or incapable of performing their function through no fault of the Lessor, the Lessee shall repair or replace same, excepting only, fortuitous events, force majeure, causes beyond the control of the Lessee other than burglary, and excepting fire or other risks not caused by the Lessee and against which the Lessor is insured as provided in Clause 12.05 hereof.

**8.02** The Lessee shall place in containers of a type approved by the Lessor all garbage and refuse the result of the tenancy herein, such containers shall be deposited for pick-up at such times and places as shall be designated from time to time by the Lessor, and shall not allow any ashes, refuse, garbage or other loose or objectionable material the result of the tenancy herein to accumulate in or about the demised premises, nor in and about the roads, parking lots, sidewalks and delivery areas.

**8.03** The Lessee shall heat the demised premises in order to protect same as aforementioned and shall pay within thirty (30) days after same become due all deposits, licence fees, charges for natural gas, electricity, telephone, cable and other telecommunications, garbage collection, sewer and water which may be assessed or charged against or in respect of said premises or occupancy thereof during said term, it being understood that if there is no separate meter or special charge for the demised premises for one (1) or more of said utilities or services, the Lessor shall pay the charges therefor and the total thereof apportioned by usage estimate of the Lessor from time to time between the Lessees for whose account payment was made and the portion thereof attributable to the demised premises shall be paid by the Lessee to the Lessor on written request.

**DAMAGE:**

**9.00** The Lessee shall reimburse the Lessor for costs incurred by the Lessor in making good any damage caused to the said building or any part thereof including the furnishings and amenities thereof as a result of the negligence or willful act of the Lessee or at the instance of all persons from time to time in or about the demised premises, excepting damage by the Lessor, its servants and agents.

**INSPECTION:**

**10.00** The Lessor and its agents shall have the right at all reasonable times during the said term, to enter the demised premises to examine the condition thereof, and further, that all want of reparation that upon such view shall be found, and for their amendment of which notice in writing shall be left at the demised premises, the Lessee shall well and sufficiently repair and make good accordingly.

**ALTERATIONS:**

**11.01** The Lessee shall not without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, make any alterations, repairs or improvement to the demised premises. Any connections of apparatus to the electrical system other than to an existing box receptacle or any connection of apparatus to the plumbing lines shall be deemed to be an alteration. The Lessee shall submit to the Lessor plans and if required specifications of any such work or installation when applying for consent. The Lessor may require that any or all work to be done or materials to be supplied hereunder shall be done or supplied by the Lessor's contractors but not at a cost substantially at variance with a cost otherwise available to the Lessee for equal work and materials. In any event, any or all work to be done or materials to be supplied

hereunder shall be at the sole cost and expense of the Lessee and the Lessor may require evidence of the Lessee's ability to pay such cost or security in that respect.

**11.02** The Lessee covenants with the Lessor that the Lessee shall promptly pay all charges incurred by the Lessee for any work, materials or services that may be done, supplied or performed with respect to the demised premises for its account and shall forthwith discharge any liens in respect thereof at any time filed against and keep the lands and premises of which the demised premises form a part free from such liens and in the event that the Lessee fails to do so, the Lessor may, but shall be under no obligation to, pay into Court the amount required to obtain a discharge of any such lien in the name of the Lessee and any amount so paid together with all disbursements and costs in respect of such proceedings on a solicitor and client basis shall be forthwith due and payable by the Lessee to the Lessor as additional rent. The Lessee shall allow the Lessor to post and keep posted on the demised premises any notices that the Lessor may desire to post under the provisions of The Builder's Lien Act or other legislation.

**11.03** The Lessee shall not paint, display, inscribe, affix or construct any sign, picture, advertisement, notice, direction, crest, logo, flag or awning on any part of the outside of the building, or visible from the outside of the building, or in any corridor, entrance or other public part of said building without the written consent of the Lessor, which consent will not be unreasonably or arbitrarily withheld and may be conditional on uniformity for the entire building.

**11.04** The Lessor shall have the right to make additions to, improvements to or installations in and repairs to the building and the common outside areas and there shall be no abatement in rent nor shall the Lessor be liable by reason thereof provided that all such additions, improvements, installations or repairs shall be made as expeditiously as reasonably possible and do not substantially interfere with the Lessee's access, quiet use and occupation herein.

**11.05** The Lessor and any persons authorized by the Lessor or by public authority shall have the right to use, install, maintain and repair pipes, wires, ducts, or other installations in, under or through the demised premises for or in connection with the supply of any services in the building or on or through the lands, provided that same shall be carried out and completed as expeditiously as possible and do not substantially interfere with the Lessee's access, quiet use and occupation herein.

#### **INSURANCE:**

**12.01** The Lessee shall, at all times during the Term and any period of occupancy of the Demised Premises by the Lessee prior to the commencement date, take out and keep in full force and effect at its sole cost and expense and in the names of the Lessee and the Lessor and the Mortgagee, as their respective interests may appear, the following insurance:

**12.01.1** Property Insurance on:

- (a) property of every description and kind owned by the Lessee or for which the Lessee is legally liable, including installations, alterations, additions, partitions, fixtures and anything in the nature of a leasehold improvement, but specifically excluding the Lessee's stock-in-trade, furniture and moveable equipment, and
- (b) the Lessee's inventory, stock-in-trade, furniture and moveable equipment.

**12.01.2** Boiler and Machinery insurance on all boilers, if any, pressure vessels, if any, air-conditioning equipment and miscellaneous electrical equipment owned or operated by the Lessee or

by others on behalf of the Lessee in the Demised Premises or relating to or serving the Demised Premises, excluding any boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical equipment owned by the Lessor.

**12.01.3** Comprehensive general liability insurance including the standard Broad Form endorsement with respect to the Demised Premises and the Lessee's use of the Common Areas, coverage to include the activities and operations conducted by the Lessee and any other Person on the Demised Premises and by the Lessee and any other Person performing work on behalf of the Lessee and for whom the Lessee is in law responsible in any other part of the Building. Such policies shall be written on a comprehensive basis with inclusive limits of not less than Five Million dollars (\$5,000,000.00) for bodily injury to any one or more Persons or property damage and such higher limits as the Lessor, acting reasonably, or the Mortgagee requires from time to time. Such policies shall also contain a severability of interests clause and a cross-liability clause.

**12.01.4** Any other form of insurance as the Lessee or the Lessor, acting reasonably, or the Mortgagee requires from time to time in form, in amounts and for insurance risks against which a prudent Lessee would insure.

**12.02** The Lessee shall furnish to the Lessor in form and content satisfactory to the Lessor, certificates of the insurance companies evidencing the maintenance of all insurance policies required to be maintained by the Lessee pursuant to this section 12.01.

**12.03** Notwithstanding any other provision of this lease, the Lessee shall not carry on any activity or keep, use, sell or offer for sale in or upon the Demised Premises any article which may be prohibited by any insurance policy taken out, from time to time, by the Lessor. The Lessee shall pay to the Lessor, forthwith upon demand, an amount equal to any increase in premiums for the insurance carried from time to time by the Lessor with respect to the Land or Building where such increase is caused by or results from the occupancy of the Demised Premises, the conduct of business in the Demised Premises, the sale or storage of any article from or on the Demised Premises or any acts or omissions of the Lessee in or upon the Lands or Building or any part thereof.

**12.04** The Lessee agrees that if it does not provide or maintain in force such insurance, the Lessor may take out the necessary insurance and pay the premium therefor for periods of one (1) year at a time, and the Lessee shall pay to the Lessor the amount of such premium immediately on demand.

**12.05** In the event that both the Lessor and Lessee have claims to be indemnified under any such insurance, the indemnity shall be applied first to the settlement of the claim of the Lessor and the balance, if any, to the settlement of the claim of the Lessee.

**12.06** It is agreed that the Lessor is not itself an insurer and will not be required to assume any greater

liability for any personal injury or property damage or any other loss howsoever occurring in or upon the said lands or the building erected thereon than that for which any insurer is or is held to be liable under the policies of fire, public liability or other insurance placed by the Lessor for the protection of persons or property thereon.

**12.07** The Lessor will place and maintain insurance against fire and such other risks as are included in a standard commercial building broad form or similar insurance in an amount equal to the reasonable insurable value, excluding excavations and foundation members, of the building erected on the lands and as

required boiler and machinery insurance, and will in addition place and maintain public liability insurance in respect of all common areas of the building on the lands with limits of not less than –Five Million Dollars-- (\$5,000,000.00) for any one (1) occurrence. The Lessee shall pay to the Lessor as operating costs annually on the written request therefor given by the Lessor that portion of the Lessor's costs, premiums or charges for such insurance equal to the ratio that the floor area of the demised premises bears to the total rentable area of the building. If there comes into being a special insurance rating or separate policy in this respect for the demised premises by virtue of demising walls or for the building in which the demised premises are located separate from another building on the lands, the Lessee shall have the benefit or burden thereof and in that event with the written consent of the Lessor and its insurer, not be unreasonably withheld, the Lessee or Lessees concerned may place the insurance provided in this Clause in the name of the Lessor. Lessor agrees to use its best efforts to obtain a Waiver of Subrogation for the Lessee.

**12.08** The Lessee shall not do or permit to be done any act or thing which may render void or voidable or conflict with the requirements of any policy or policies of insurance, including any regulations of insurance underwrites or brokers applicable to such policy or policies, whereby the demised premises or the building are insured or which may cause any increase in premium to be paid in respect of any such policy. In the event that any such policy or policies is or are cancelled by reason of any act or omission of the Lessee, the Lessor shall have the right at its option to terminate this Lease forthwith by giving notice of termination to the Lessee, and in the event that the premium to be paid in respect of any policy is increased by any act or omission of the Lessee, the Lessee shall pay as additional rent to the Lessor the amounts by which said premium shall be so increased.

**12.09** Provided that if during the term hereof or any renewal the demised premises shall be damaged, destroyed or rendered unusable by a peril or perils which would be covered by an insurance policy described in Clause 12.05 and are capable of being substantially rebuilt within ninety (90) days of such damage, rent shall abate in the proportion that the part of the demised premises rendered unfit for occupancy bears to the whole of the demised premises until the demised premises are rebuilt, and the Lessor agrees that it will by reasonable diligence repair the demised premises, subject always to the provisions of Clause 12.11.

**12.10** In the event the demised premises are damaged, destroyed or rendered unusable by any cause whatsoever and if in the opinion of the Lessor reasonably arrived at the demised premises cannot be rebuilt or made fit for the purposes of the Lessee within ninety (90) days of the damage, either party may terminate this Lease by giving the other notice of termination within thirty (30) days of such damage and thereupon rent and any other payment for which the Lessee is liable under this Lease shall be apportioned and paid to the date of such damage and the Lessee shall immediately deliver up possession of the demised premises to the Lessor. If neither party has given such notice, rent shall abate in total until the demised premises are rebuilt and the Lessor will with reasonable diligence reconstruct the demised premises to the former condition, subject always to the provisions of Clause 12.11.

**12.11** Provided that if such damage, destruction or condition described in these clauses is due to the negligence, overt acts or breach of this Lease of or by the Lessee or its agents or servants, notwithstanding

anything contained herein to the contrary if the Lessor shall effect such repairs the cost shall be paid by the Lessee and there shall be no abatement of rent and the Lessee shall not have the right to terminate the lease as provided in clause 12.10.

**TAXES:**

**13.01** The Lessor shall pay or cause to be paid all Land Taxes herein defined and all charges added to such taxes, except those assessed, levied or charged relative to use or occupation hereinafter provided.

**13.02** "Land Taxes" in this clause means an amount equivalent to all taxes, rates, duties, levies and assessments whatsoever and including the portion of Business Tax that is included in Property Taxes, and penalties and interest thereon, whether municipal, parliamentary, school or otherwise charged on the lands, the building and all improvements now or hereafter thereon or upon the Lessor on account thereof, including all taxes, rates, duties, levies, assessments, penalties and interest for local improvements and any and all taxes which may in the future be levied in lieu of land taxes as hereinbefore defined, but excluding charges added thereto for utilities and civic services supplied to the building and excluding such taxes as corporate, income, profits or excess profits taxes assessed upon the income of the Lessor.

**13.03** Upon the building being completed and fully occupied the Lessor shall obtain from the proper public authority, and the Lessee shall be entitled to inspect, particulars of the first full assessment for land tax purposes of the lands, building and improvements.

**13.04** The Lessor shall provide the Lessee promptly with a copy of any tax assessment, which shall be substantially revised from said first full assessment. On the Lessee directing the Lessor in writing to appeal or vary either a revised tax assessment or levy, and upon the Lessee securing payment of the Lessor's costs and expenses in that regard, the Lessor may obtain or attempt to obtain a reduction in such tax assessment or levy. The Lessor shall make an appropriate refund to the Lessee should it receive a refund of any portion of land taxes on which the Lessee has paid its proportionate share.

**13.05** The Lessee covenants and agrees to pay to the Lessor in each and every year during the term hereof monthly installments equal to 1/12th of its proportionate share, as additional rent, apportioned as required for the first and last years for the days in occupation of less than a tax fiscal year, that portion of Land Taxes, in this clause called "proportionate share", charged to the subject lands which represent the ratio on a rentable square footage basis in which the floor area of the demised premises, exclusive or areas outside the building, compares to the total rentable area of the building, and in addition to said proportionate share all charges to Land Taxes for utilities and civic services which shall relate to the demised premises and are the obligation of the Lessee hereunder.

**13.06** In the event the improvements installed by the Lessor at its cost in one (1) tenancy in the building shall be substantially at variance with other or others in the building, or in the event there shall come into being approved installations or alterations in one (1) tenancy, whereby the assessment for land tax purposes aforementioned is substantially disproportionate calculated on a rentable square footage basis, the additional land taxes incurred on account thereof shall on the written request of any Lessee affected be paid as aforesaid by the Lessee, including the Lessee, for whose account such improvement, installation or alteration was created.

**13.07** The Lessee shall pay all business or other taxes from time to time assessed or levied in respect of the Lessee's use or occupancy of the demised premises including penalties for late payment thereof.

**OPERATING COSTS:**

**14.01** In this Clause the following phrases shall have the following meanings:

a) "Operating Costs" means the total amount paid or payable by or for the account of the Lessor for landscape maintenance and irrigation, snow removal, tarmac painting and repairs, dust and refuse removal, for lighting and policing common areas, cleaning, repairing and replacing components of common ways, if any, the operation of building identification signs, and for all other costs of a similar nature and for service contracts with independent contractors in those respects, exclusive of any amounts directly

chargeable by the Lessor to any Lessee as otherwise provided in this Lease. Depreciation on all fixtures, equipment and facilities, which by their nature, require periodic replacement, or substantial replacement (but excluding the building, roof, or structure and permanent parts thereof) at rates on the various items determined from time to time by the LESSOR in accordance with sound accounting principles; In the event the Lessor is required to replace the pavement and depreciation has not been taken as defined above, the Lessee shall pay annually its proportionate share of those costs plus 15% of such costs (which represents the Lessor's administrative expenses) plus interest at the prime rate charged by the Royal Bank of Canada plus 2%, divided by the number of years of useful life of such replacement, as determined by the Lessor;

b) "Proportionate Share" means the ratio which the rentable floor area of the demised premises compares to the total such area of the building;

c) "Accounting Year" means each twelve-month period commencing on January 1<sup>st</sup> and ending on December 31<sup>st</sup> the whole or part of which twelve-month period is within the term hereby demised.

**14.02** The Lessee's annual Proportionate Share of Operating Costs shall be estimated by the Lessor from time to time and shall be paid by the Lessee to the Lessor as additional rent in equal monthly installments, each in advance, on the same days as is rent payable hereunder. The Lessee shall also pay to the Lessor as additional rent a charge for administration of the Operating Costs equal to eight percent (8%) of the total rent payable pursuant to Clause 3.00 hereof during such Accounting Year. At the end of the Accounting Year the Lessor shall compute the Lessee's actual Proportional Share of Operating Costs and any adjustments required between the parties shall be paid within fifteen (15) days after the Lessee is notified of such computation.

**14.03** For the considerations herein set forth, the Lessor covenants and agrees to cause the subject landscaping to be cared for in a regular and trimmed fashion, all common area to be repaired and kept clear and the common ways repaired and cleaned as required and lighted if so equipped.

#### **PAYMENTS:**

**15.01** All payments required to be made by the Lessee hereunder shall be made to the Lessor or to such agent of the Lessor, as it shall direct in writing to the Lessee. The Lessee shall pay interest on demand all payments of rent and other sums required hereunder which have become fifteen days overdue at the prime rate being charged by Royal Bank of Canada plus two percent (2%).

**15.02** The Lessee shall produce on request evidence of its due payment of all payments required to be made by the Lessee hereunder and the Lessor shall produce to the Lessee satisfactory evidence in writing of all sums hereunder required to be paid by the Lessee to the Lessor other than rent.

**15.03** This Lease sets forth all obligations of the Lessor in relation to the demised premises, it is a net lease to the Lessor and without restricting the generality of the preceding clauses the Lessee shall be responsible for all sums, expenses, costs, charges and demands related to its occupancy of the demised premises, and any thereof incurred by the Lessor which ought to have been paid or incurred by the Lessee or for which the Lessor hereunder is entitled to reimbursement from the Lessee and any interest owing to the Lessor hereunder, may be recovered by the Lessor as additional rent by any and all remedies available to it for recovery of rent in arrears.

**15.04** Without restriction the generality of the foregoing and despite any other section, clause or provision of this Lease, the Lessee shall pay to the Lessor monthly or on demand an amount equal to any and all goods

and services taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Lessor with respect to any and all amounts payable by the Lessee to the Lessor under this Lease or in respect of the rental of space under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax or otherwise, it being the intention of the parties hereto that the Lessor shall be fully reimbursed by the Lessee with respect to and all such taxes payable by the Lessor. Despite any other section, clause or provision of the Lease, the amount payable by the Lessee under this section shall be deemed not to be rent, but the Lessor shall have all of the same remedies for and rights or recovery of such amounts as it has for the recovery of rent under this Lease.

**15.05** The Lessee hereby agrees that all payments by it under the terms of this Lease, whether in respect of rent, taxes, insurance, escalation, repair, maintenance, or other sums required to be paid by the Lessee under the terms of this Lease shall be without deductions whatsoever and may be applied by the Lessor towards payment of any other monies due and payable by the Lessee to the Lessor at the date of such payments irrespective of the purpose for which such payment by the Lessee was tendered.

**15.06** All payments required to be made by the Lessee hereunder shall be made to the Lessor or to such agent of the Lessor, as it shall direct in writing to the Lessee.

**15.07** If the Lessor at any time incurs legal fees and costs in instituting or prosecuting any action or proceedings based upon any default of the Lessee under this Lease, all such fees and costs (on a solicitor-client basis) shall be payable by the Lessee to the Lessor and be recoverable by the Lessor as additional rent. All such fees and cost shall be payable by the Lessee to the Lessor upon demand.

**LAWS:**

**16.00** The Lessee shall, subject to Clause 7.01 comply promptly at its expense with all laws, ordinances, regulations, requirements and recommendations which may be applicable to the Lessee or to the manner of use of the demised premises, of any and all federal, provincial, civic, municipal and other authorities or association of insurance underwriters or brokers and all notices in pursuance of same and whether served upon the Lessor or Lessee.

**CLAIMS:**

**17.01** The Lessor shall not be responsible in any way for any injury to any person or for any loss of or damage to any property belonging to the Lessee or to other occupants of the demised premises or to their respective invitees, licensees, agents, servants or other persons from time to time attending at the demised premises while such person or property is in or about the building or any areaways, parking areas, lawns, sidewalks, steps, truckways, platforms, corridors or stairways in connection therewith, including without limiting the foregoing, any loss of or damage to any such property by theft or breakage, or by steam, water, rain, or snow which may leak into, issue or flow from, to or into any part of the said building or any adjacent

or neighbouring lands or premises or from any other place or quarter or for any loss of or damage caused by or attributable to the condition or arrangements of any electric or other wiring or for any damage caused by smoke or anything done or omitted to be done by any other Lessee in said building or for any other loss whatsoever with respect to the demised premises or any business carried on therein, excepting however such injury, loss or damage as shall have been caused by the Lessor, its servants or agents.

**17.02** Excepting structural failure and the consequences thereof, and excepting the willful or negligent conduct of the Lessor, under no circumstances shall the Lessor be liable for indirect or consequential



damage or damages for personal discomfort or illness by reason of the non-performance or partial performance of any covenant of the Lessor herein contained including the supply of water or other utilities, plumbing apparatus or other equipment in the said building or the demised premises, or the maintenance of the common areas.

**17.03** The Lessee shall and does hereby indemnify and save harmless the Lessor from any and all liabilities, damages, costs, claims, suits or actions arising from:

- a) any breach, violation, or non-performance of any covenant, condition or agreement in this Lease set forth and contained on the part of the Lessee, to be fulfilled, kept, observed and performed;
- b) any damage to loss or theft of property while said property shall be in or about the demised premises, and;
- c) any injury to any licensee, invitee, agents or employee of the Lessee, including death resulting at any time therefrom, occurring in or about the demised premises or on the lands;

except such thereof as shall have been caused by the Lessor, its servants or agents, and this indemnity shall survive the expiry or sooner determination of this Lease.

#### **POLLUTION:**

**18.00** The Lessee covenants and agrees with the Lessor that it shall indemnify and save harmless the Lessor against any claim or action of any kind whatsoever made or commenced by any pollution control agency, or other public authority, whether federal, provincial, or municipal which claim or action arose or may have arisen as a result, whether direct or indirect, of the Lessee, its servants, agents, employees, or independent contractors depositing, having deposited or having permitted the deposit of waste of any type in any waters in any stream, watercourse, sanitary disposal system or storm drainage system contrary to any one or more of the provisions of The Canada Water Act, The Environment Conservation Act, The Clean Water Act, The Public Health Act, The Calgary River Pollution By-Law, and any and all amendments thereto, any regulations proclaimed in pursuance thereof and any by-law, statute or regulation promulgated in substitution therefor. The Lessee further covenants and agrees that it shall pay to the Lessor immediately upon demand any sum assessed against the Lessor as a result of a breach of the foregoing. The Lessee further covenants and agrees that it shall forthwith upon receipt of notice of infringement of any one (1) or more of the aforementioned pollution control enactments notify the Lessor in writing including in such notice a copy of such notice of infringement.

#### **SUBORDINATION:**

**19.01** The Lessee covenants and agrees with the Lessor that the Lessee shall from time to time, if it shall have registered a Caveat hereunder in the South Alberta Land Registration District, upon the written request of the Lessor, enter into an indenture (i) subordinating the Lease hereby granted and the rights of the Lessee

hereunder to any deed of trust, mortgage or ground lease, present or future, which includes the demised premises, or at the option of the Lessor, (ii) agreeing that the Lease hereby granted shall be subsequent to any such deed of trust, mortgage or ground lease. Should the Lessee fail to execute and deliver to the Lessor such indenture within ten (10) days of said written request, the Lessee hereby and thereupon appoints the Lessor its lawful attorney to execute said indenture. The Lessee covenants not to register its Lease other than by caveat.

**19.02** In the event of a bona fide sale or the bona fide raising of funds upon the demised premises by the Lessor, this Lease and all rents and other monies to become due hereunder may be assigned by the Lessor to such bona fide purchaser or lender or trustee for such lender, and the Lessee agrees to honour the directions of the Lessor in that respect on receipt of written notice of such assignment.

**19.03** Notwithstanding any such postponement, subordination or assignment as aforesaid the Lessee agrees that its obligations under the Lease and pursuant to this indenture shall remain in full force and effect notwithstanding any action at any time taken by a mortgagee of the lands or lender as aforesaid to enforce the security it then holds; provided however, that any postponement, subordination or assignment given hereunder shall reserve to the Lessee the right to continue in possession of the demised premises under the terms of this Lease so long as the Lessee shall not be in default under such terms.

**SUBLETTING:**

**20.01** The Lessee shall not assign this Lease nor sublet the whole or any part of the demised premises except with the prior written consent of the Lessor which shall not be unreasonably withheld, provided that:

- a) the assignee is another Carstar Collision Centre
- b) the Lessee shall deliver to the Lessor its written request to such assignment or sublease together with a copy of the proposed assignment or sublease and shall provide the Lessor with such information as the Lessor may reasonably require with respect to the business and financial responsibility and standing of the proposed assignee or sublessee, and;
- c) within fourteen (14) days after the receipt by it of such request and information the Lessor by notice in writing to the Lessee, shall provide its consent or non consent to the request to assign.

Any consent to assign or sublet the demised premises or any part thereof shall not be deemed or implied as consent to any subsequent assignment, subletting or otherwise.

**20.02** In no event shall any assignment or subletting, to which the Lessor may have consented, release or relieve the Lessee from its obligations fully to perform all the terms, covenants and conditions of this Lease. The Lessee shall be liable for the Lessor's reasonable costs incurred in connection with the Lessee's request for consent.

**INTERPRETATION:**

**21.01** Unless the context otherwise requires the word "Lessor" whenever it is used herein shall be construed to include and shall mean the Lessor, its successors and assigns, and the word "Lessee" shall be construed to include and shall mean the Lessee, and the executors, administrators, successors and permitted assigns of the Lessee and when there are two (2) or more Lessees or two (2) or more persons bound by the Lessee's covenants herein contained their obligations hereunder shall be joint and several; the word "Lessee" and the personal pronoun "it" relating thereto and used therewith shall be read and construed as Lessees, and

"his", "her", "its", or "their" respectively, as the number and gender of the part of parties referred to each require and the number or the verb agreeing therewith, shall be construed and agree with the said word or pronoun so substituted.

**21.02** The index and marginal or heading notes in this Lease form no part of this Lease and shall be deemed to have been inserted for convenience of reference only.

**21.03** This Lease shall be interpreted and enforced by the parties in accordance with the laws of the Province of Alberta.

**21.04** There is no promise, representation or undertaking by or binding upon the Lessor with respect to completion of the demised premises, installation of equipment or fixtures therein, with respect to the building or with respect to this Lease except such as are described in the drawings aforementioned, in the written specifications, if any, in this Lease expressly set forth, and in the acknowledged letters of correspondence between the parties subsequent hereto, and they together contain all the agreements and conditions made between the parties.

**21.05** No assent or consent to changes in or waiver of any of this Lease in spirit or letter shall be deemed or taken as made unless same is done in writing and signed, endorsed or acknowledged in writing by the Lessor; and the Lessor's employees, superintendents or agents, unless specifically authorized in writing by the Lessor, are not authorized to amend this Lease.

**21.06** "Lessor" shall further mean herein the owner of the building at the material date and in the event of the sale of the building the undersigned Lessor shall be relieved of all obligations of the Lessor herein and on such sale and notice thereof given to the Lessee the purchaser of the building shall be deemed to have assumed exclusively such obligations.

**AGENTS:**

**22.00** As part of the consideration for the granting of this Lease the Lessee represents and warrants to the Lessor that no broker or agent other than that of the Lessor negotiated or was instrumental in negotiating or consummating this lease.

**DEFAULT:**

**23.01** If either party shall fail to perform or cause to be performed each and every of the covenants and obligations of it in this Lease contained, on reasonable notice in writing, the other shall have the right, but shall not be obligated, to perform or cause the same to be performed and to do or cause to be done such things as may be necessarily incidental thereto, including without limiting the foregoing, the making of repairs, payment of insurance premiums, payment of taxes, maintenance as provided herein and otherwise, and all payments, expenses and cost incurred or paid by or on behalf of the other in respect thereof shall be forthwith paid to the other by the party obligated in that respect; "expenses and costs" shall be deemed to include reasonable legal accounts necessarily incurred on a solicitor - client scale of calculation.

**23.02** Any condoning, excusing or overlooking by the Lessor of any default, breach or non-observance by the Lessee at any time or times in respect of any covenant, proviso or condition herein contained shall not operate as a waiver of the Lessor's rights hereunder in respect of any subsequent default, breach or non-observance nor so as to defeat or affect in any way the rights of the Lessor hereunder in respect of any subsequent default, breach or non-observance. No act of the Lessor other than execution of an appropriate

memorandum in writing shall operate as a surrender of this Lease as an extinguishment of the Lessor's remedies, herein or otherwise, by operation of law or otherwise.

**23.03** The Lessee covenants that if the term hereby granted or the chattels of the Lessee shall at any time be seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall charge such chattels with any financial obligation in excess of sixty percent (60%) of their market wholesale value without consent of the Lessor, or if the Lessee shall make any assignment for the benefit of a creditor or

creditors, or becoming bankrupt or insolvent shall take the benefit of any statutes that may be in force for bankrupt or insolvent debtors, then in any such case the said term shall at the option of the Lessor, immediately become forfeited and void and all arrears rent and costs hereunder, the then current month's rent and rent for the three (3) months next following shall immediately become due and payable and in such case it shall be lawful for the Lessor at any time thereafter to enter into and upon the demised premises or any part thereof, in the name of the whole to have again, repossess and enjoy the same as of its former estate, anything herein contained to the contrary notwithstanding.

**23.04** Provided, and it is hereby expressly agreed, that if and whenever the rent hereby reserved, or any part thereof, shall be unpaid for fifteen (15) days after any of the days on which the same ought to have been paid, or if the demised premises shall be left or become vacant, or in case of the breach or non-performance of any of the covenants (exclusive of the covenants to pay rent) or agreements herein contained on the part of the Lessee, and such default, breach, abandonment or non-performance shall continue for fifteen (15) days after notice in writing shall have been given to the Lessee by the Lessor, then and in either of such cases it shall be lawful for the Lessor at any time thereafter, enter into and upon the demised premises or any part thereof in the name of the whole to re-enter and the same to have again repossess and enjoy as of the Lessor's former estate, anything hereinafter contained to the contrary notwithstanding. In case the Lessor shall re-enter the demised premises prior to the expiry of the Lease by reason of default by the Lessee hereunder, the Lessee shall be liable to the Lessor for their amount of its reasonable expenses and the rent for the remainder of the term of this Lease whether by way of liquidated damages or otherwise, as if such re-entry had not been made less the actual net amount received by the Lessor after such re-entry in respect of any subsequent leasing applicable to the remainder of the term.

**FIXTURES:**

**24.00** Subject to the next succeeding clause hereof the Lessee may at or prior to the expiration of the term hereby granted, take, remove, and carry away from the demised premises all fixtures, fittings, shelving, counters or other articles upon the demised premises in the nature of trade or Lessee's fixtures, but the Lessee shall in such removal do no damage to the demised premises, or shall make good any damage which the Lessee may occasion thereto; provided further that the Lessee shall not remove or carry away from the demised premises any plumbing, sprinkler, heating, air conditioning, air compressor or ventilating plant or equipment or other building service or component thereof; and further notwithstanding anything therein contained the Lessor shall have the right upon the termination of this Lease by effluxion of time or otherwise to require the Lessee to remove his installations, alterations, additions, partitions and fixtures or anything in the nature of leasehold improvements made or installed by the Lessee or by the Lessor on behalf of the Lessee and to make good any damage caused to the demised premises by such removal. If not removed within fifteen (15) days of expiration and vacating, any and all fixtures and or equipment shall become the property of the Lessor.

**DISTRESS:**

**25.00** The Lessee agrees that all goods, chattels and fixtures when moved into the demised premises shall not, except in the normal course of business, be moved therefrom until all rent due or to become due during the term of this Lease and all levies, costs and charges for which the Lessee is obligated hereunder are fully paid. The Lessee waives and renounces the benefit of any present or future Act of the Legislature of Alberta taking away or limiting the Lessor's right of distress and, notwithstanding any such Act, the Lessor may seize and sell all of the Lessee's goods and chattels for payment of rent and such levies, costs and charges owing under this Lease unpaid, the Lessor, in addition to any remedy otherwise provided by law, may seize and sell the chattels of the Lessee at any place to which the Lessee or any other person may have removed them for a reasonable period in the same manner as if such goods and chattels had remained and been distrained upon the demised premises.

**VACATION:**

**26.01** The Lessee shall at the expiration or sooner determination of the said term peaceably surrender and yield up to the Lessor the demised premises with the appurtenances, together with all fixtures or erections which at any time during the said term shall be made therein or thereon, excluding Lessee's fixtures aforementioned, in good and substantial repair and condition and deliver to the Lessor all keys to the demised premises which the Lessee has in its possession.

**26.02** The Lessee shall immediately before the expiration or sooner determination of this Lease restore the demised premises as far as reasonably practicable to the condition in which they were delivered including, not to diminish the generality thereof, the repair of all apparatus, hardware and glass the obligation of the Lessee herein and the removal of refuse or waste material, excepting only reasonable wear and tear, fortuitous events, force majeure, causes beyond the control of the Lessee, or fire or other risks against which the Lessor is insured as provided in Clause 12.05 hereof.

**26.03** During the last three (3) months of the term hereby created, or of occupation of the demised premises by the Lessee, whichever first occurs, any person or persons may inspect the demised premises and all parts thereof at all reasonable times on producing a written order to that effect signed by the Lessor, and the Lessor shall have the right during that period to place upon the demised premises a notice of reasonable dimensions and location so as not to interfere with the business of the Lessee stating that the demised premises are for rent, which notice the Lessee will not suffer to be removed.

**OVERHOLDING:**

**27.00** If at the expiration of the term of this Lease the Lessee shall hold over with the consent of the Lessor, the tenancy of the Lessee thereafter shall, in the absence of written agreement to the contrary, be from month to month only at a rent per month equal to one-tenth (1/10th) of the rent payable for the year immediately preceding such expiration, payable monthly in advance on the first day of each lease month and shall be subject to all other terms and conditions of this Lease.

**RENEWAL:**

**28.00** If the Lessee at the expiration of the term herein has as a condition precedent paid the rent, all costs and interest and performed all and every of the covenants, provisos and agreements herein and on the part of the Lessee to be paid and performed, the Lessor shall at the expiration of said term and at the cost of the Lessee and upon its written request mailed by registered post to or delivered to the Lessor at its address for notice herein not less than Six (6) months prior to the expiration of the term hereby granted, grant to the Lessee a renewal lease of the demised premises for two (2) further terms of Five (5) years each at the same rent provided in Clause 3.00 hereof and such new lease to contain all the covenants, provisos and agreements as are herein contained excepting this covenant. In the event that the Lessor and Lessee are unable to agree as to the rent the same shall be determined by arbitration as hereinafter provided.

If the parties so agree same shall be submitted to a single arbitrator, otherwise to three (3) arbitrators, the first of whom shall be forthwith named in writing by one (1) party and served on the other, the second of whom shall within seven (7) days be named in writing by the other party and served on the one (1), whereupon either may forthwith direct said two (2) arbitrators to appoint a third, and the three (3) shall meet, establish their procedure and resolve the dispute, all pursuant to The Alberta Arbitration Act. The decision of the single arbitrator, the decision of two (2) of the three (3), or if none of the arbitrators agree, the decision of the third arbitrator, shall be final and binding on the parties. Notwithstanding the above, the rent so determined shall not be less than the said sum mentioned in Clause 3.00 hereof.

**RELOCATION:**

**29.00**

This clause intentionally deleted.

**NOTICES:**

**30.00** Any notice herein provided for or given hereunder if given by the Lessee to the Lessor shall be sufficiently given if mailed by registered mail, postage prepaid, to the Lessor as set forth below. Any notice herein provided for or given hereunder, if given by the Lessor to the Lessee, shall be sufficiently given if mailed as aforesaid addressed to the Lessee as set forth below. Any notice mailed as aforesaid shall be conclusively deemed to have been given in the fourth business day following the day on which such notice is mailed as aforesaid. Either party may at any time give notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the giving of such notices thereafter. The word "notice" in this clause shall be deemed to include any request, demand, direction or statement in writing in this Lease provided or permitted to be given by either party to the other.

**HANSFELD PROPERTIES LTD.**

3636 Burnsland Road SE  
Calgary, AB T2G 3Z2

and

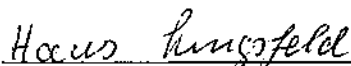
**ARROW AUTOBODY LTD.**

4610 – 112 Ave. SE  
Calgary, AB T2C 2K2

**ARROW AUTOBODY LTD.** does hereby accept this Lease of the above described demised premises to be held by it as Lessee and subject to the conditions, restrictions and covenants above set forth.

**IN WITNESS WHEREOF** the parties hereto have executed this Indenture this 29<sup>th</sup> day of February, 2016.

**HANSFELD PROPERTIES LTD.**

  
Authorized Signature - HANS LENGSFELD

**ARROW AUTOBODY LTD.**

  
Authorized Signature - CHRISTOS STATHONIKOS

**SCHEDULE "A"**  
**REFERRED TO IN ANNEXED LEASE**

**PART I**

The legal description of the land is Plan Calgary 8490 AP; Block 9; Lots 17 to 25 inclusive

**PART II**

The premises demised are the part of the building known as 3648 Burnsland Road SE Calgary, Alberta and shown outlined in red on the floor plan hereto annexed containing in total Eighteen Thousand Five Hundred and Forty One (18,541) square feet on the main floor, thereof, and Fourteen Hundred (1400) square feet of lunch room and storage space, situated upon the lands, and shall include all installations, fixtures, furnishings and other amenities situate in the demised premises.

**PART III**

The Lessee and the employees, agents, customers and invitees respectively of the Lessee shall, subject as provided in said Lease, have the following rights as appurtenant to the demised premises in common with all others from time to time entitled thereto:

- a) The right to use all common corridors, hallways and washrooms in the building.
- b) The right to use the driveways situate upon said lands for the purpose of access to and egress from the demised premises.
- c) The right to park gratuitously its passenger motor vehicles and those of its employees, customers and invitees upon said lands and the location and number of parking spaces for the use of the Lessee as aforementioned may be designated by the Lessor by notice in writing from time to time.

Notwithstanding anything in said Lease contained, the Lessor shall have the right to make such changes and improvements as it may determine in respect of said driveways and parking areas including the right to change the size, shape and location thereof and to erect additions to the building, or Lease or sell part of said land, provided that such changes or additions shall not deny the Lessee reasonable access to the demised premises.

**PART IV**

The Lessee hereby accepts the demised premises on an "As Is, Where Is" basis except for the following improvements at the Lessor's sole cost and expense on or before March 1, 2021.

- a) The Lessor shall check all building systems, repair as necessary, and make operational all heating and electrical, lighting (including light bulbs and fluorescent tubes), plumbing, mechanical, HVAC, overhead doors, hinged entry doors, passage doors and building hardware prior to the lease commencement date

**PART V**

If the Lessee intends to improve the premises in addition to the above plan, the Lessee will do these improvements at their own cost, and will have the work done within municipal and provincial guidelines and building codes. The Lessee will protect the landlord from any liability regarding these leasehold improvements. All work will be completed in a true workmanlike manner.

**SCHEDULE "B"**  
**RULES AND REGULATIONS REFERRED TO IN ANNEXED LEASE**

1. Lessees severally will not carry on or permit to be carried on any business in their respective demised premises under a name or style other than their own name or call or permit the premises or any business carried on therein to be called by any name other than their own name without the prior consent of the Lessor, not to be unreasonably withheld.
2. Lessees shall not keep or display any merchandise on or otherwise obstruct any part of the building or lands except as is specifically permitted in the annexed Lease or authorized in writing by the Lessor.
3. Lessees shall not bring upon their respective premises any equipment, motor or other thing, which might damage said building or be a noise or nuisance nor shall the floors be overloaded.
4. Lessees shall not interfere with, obstruct or overload the posted capacities of building elevators, if any.
5. Lessees shall not bring upon or in the lands or building animals for any purpose.
6. All loading and unloading of supplies, materials, garbage, refuse or other chattels and permitted merchandise shall be made only through or by means of such doorways as the Lessor shall designate in writing and no such materials or chattels shall be permitted to remain in or on common areas or loading docks except as herein permitted.
7. Garbage or refuse shall be placed in containers of a type approved by the Lessor in writing, or from time to time provided by the Lessor, and shall be removed at such times and from such locations as the Lessor may advise each Lessee.
8. Lessees shall not suffer nor permit odours to escape from their premises and shall not burn any trash or garbage in or about said premises or anywhere on said lands.
9. No aerial of any description may be installed on the exterior of the demised premises and Lessees may not connect a television set, radio, phonograph, tape deck or speaker system which may be heard from without the demised premises.
10. Lessees shall, upon written notice from the Lessor, forthwith furnish the Lessor with the current Provincial Licence Number of any vehicle frequenting the lands owned or used by their respective officers, managers and employees.
11. Doors on the respective premises shall be closed and locked, and windows thereon shall be closed and latched, by Lessees when the premises are not in use.



**THIS IS EXHIBIT "57" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**LEASE**

**CMD HOLDINGS INC.**  
TENANT

**CMD PROPERTIES INC.**  
LANDLORD

**Premises located at:  
35 Royal Vista Drive N.W  
Calgary, Alberta**

THIS LEASE made as of the 25 day of September 2020

B E T W E E N:

**CMD PROPERTIES INC.**

(the "Landlord")

and

**CMD HOLDINGS INC.**

(the "Tenant")

In consideration of the Premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared between the parties as follows:

#### ARTICLE 1 – DEFINITIONS

##### 1. Definitions

- 1.1 The terms defined herein shall have, for all purposes of this Lease and all instruments supplemental hereto, the following meanings, unless the context expressly or by necessary implication otherwise requires:
- 1.2 “**Additional Rent**” means all sums of money, other than Basic Rent, which are required to be paid by the Tenant pursuant to any provision of this Lease, and which is deemed to be accruing on a day-to-day basis.
- 1.3 “**Additional Service**” means any service identified as such in this Lease or which is requested by the Tenant in addition to those supplied by the Landlord and which the Landlord is prepared to supply at an additional cost to the Tenant.
- 1.4 “**Additional Service Cost**” means the additional amount identified as such in this Lease or payable by the Tenant to the Landlord for any Additional Service.
- 1.5 “**Basic Rent**” means the rent payable by the Tenant pursuant to Section 4.1.
- 1.6 “**Building**” means the Building or Buildings and all other fixed improvements situate at any time on the Premises, all of which bear the municipal address of **35 Royal Vista Drive, N.W., Calgary, Alberta**.
- 1.7 “**Business Hours**” means the period from 8:00 a.m. to 4:30 p.m. or such other reasonable hours as the Landlord may from time to time specify by regulation on any Business Day and "Business Day" means any day which is not a Saturday or a Sunday or a statutory holiday in the Province of Alberta.
- 1.8 “**Capital Tax**” means any tax or taxes payable under any existing or proposed federal legislation based upon or computed by reference to the paid-up capital or place of business of the Landlord as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any municipal, legislative or parliamentary authority.

- 1.9 **“Default”** means failure to meet an obligation in the Lease, including, but not limited to a financial one.
- 1.10 **“Insured Damage”** means that part of any damage occurring to the Premises, of which the entire cost of repair (except as to any deductible amount provided for in the applicable policy or policies of insurance) is actually recovered by the Landlord under a policy or policies of insurance from time to time effected by the Landlord pursuant hereto or for which the Landlord is self-insured.
- 1.11 **“Landlord’s Taxes”** means the aggregate of: Taxes and Other Taxes.
- 1.12 **“Lands”** means the land municipally described as 35 Royal Vista Drive NW., Calgary, Alberta, and legally described as Plan 1710547, Block 1, Lot 17, Excepting Thereout All Mines and Minerals.
- 1.13 **“Lease”** means this Lease and any amendments, modifications or additions in writing hereto, and includes any schedules, appendices, riders and other documents, if any, attached hereto, or otherwise intended to form part of this Lease.
- 1.14 **“Leasehold Improvements”** means Work or improvements in, on, to, for or which serve the Premises, determined according to common law, and includes, without limitation, all fixtures (excluding Tenant’s Trade Fixtures), equipment and alterations from time to time made, constructed, erected, or installed by, for or on behalf of Tenant following the commencement of this Lease, whether or not easily disconnected or movable, including, without limitation, all: (a) partitions (excluding portable partitions), railings, doors and safes and vaults permanently affixed to the Premises; and hardware; (b) mechanical, plumbing, electrical, sprinkler, fire detection, safety, utility, computer, communication, telecommunication, satellite, heating, humidity, ventilating and air conditioning systems, facilities, installations, fixtures, devices, controls, pipes, wires, conduits, tanks, machinery, fittings and equipment; (c) carpeting, drapes and other floor, wall, ceiling and window coverings and drapery hardware; (d) light fixtures; (e) storefronts; (f) grill and other security or locking devices securing all or any part of the Premises; (g) counters, cabinets, shelves and built-in furniture and furnishings; (h) internal stairways, elevators and any other transportation equipment or systems; (i) ceilings and ceiling panels; (j) ceiling heaters (suspended or otherwise), and air-conditioning units, and all controls, fittings and equipment; (k) coolers, freezers, lockers, refrigerators, stoves, washing machines (including dishwashers), drying machines, kitchen and other types of equipment, appliances and ovens (including microwave ovens); (l) signs, exterior sign boxes, bands and the like; (m) any items that would not normally be considered to be Tenant’s Trade Fixtures; (n) satellite receivers, transmitters, antennas and base mounts; and (o) all items which cannot be removed without damage to the Premises, but which are not Tenant’s Trade Fixtures.
- 1.15 **“Operating Costs”** means the aggregate of all of the Landlord’s expenses, costs and charges, whatsoever, incurred in respect of the operation, maintenance and repair of the Premises by or on behalf of the Landlord, provided that Operating Costs shall not include: (a) debt service, including without limitation, refinancing costs, interest on debt or capital retirement of debt; (b) costs for which the Landlord is reimbursed by the proceeds of insurance; (c) costs recovered by the Landlord under a warranty; (d) income taxes in respect of income received from leasing the Premises; (e) capital cost allowance and depreciation; (f) costs for which the Landlord is responsible under this Lease; and (g) costs incurred as a result of the negligence or willful acts of the Landlord or of those for whom the Landlord is at law responsible and including, without limitation, costs incurred as a result of the breach by the Landlord of the terms of this Lease.
- 1.16 **“Other Taxes”** means all taxes, rates, duties, levies, fees, Charges and assessments whatsoever, including without limitation, local improvements, water, sewer rates, impost Charges or levies whether extraordinary, general or special, ordinary or extraordinary, foreseen or unforeseen, imposed, assessed, levied or Charged

now or in the future by any municipal, regional, provincial, federal, parliamentary or other government body, corporate authority, agency or commission against the Premises and/or the Landlord in connection therewith but excluding (unless specifically referred to above):

- such of the foregoing amounts as have been included in Taxes;
- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of any business carried on by the Tenant on the Premises; and
- Capital Tax.

1.17 **“Premises”** means the Building and Lands leased to the Tenant.

1.18 **“Rate of Interest”** means an interest rate of prime plus six (6%) percent per annum, payable both prior to and following judgment, as applicable.

1.19 **“Rent”** means Basic Rent and Additional Rent.

1.20 **“Rentable Area”, “Gross Rentable Area” and “Net Rentable Area”** of the Premises means the number of square feet of floor area determined by an architect, surveyor or other Building measuring professional based on the “Standard Methods for Measuring Floor Area in Industrial Buildings” (BOMA/SIOR 2004). A certificate as to area from the Landlord's measuring professional shall be conclusive and binding on the parties. For the purpose of this Lease, the Rentable Area is: **Sixteen Thousand Three Hundred Eighty Three (16,383) Square Feet.**

1.21 **“Rental Year”** means a period of time, the first Rental Year commencing on the first day of \_\_\_\_\_ 2020 and ending on the last day of the month of \_\_\_\_\_ immediately following. Each Rental Year thereafter shall consist of consecutive periods of twelve (12) calendar months, but the last Rental Year of the Term, whether or not it is twelve (12) calendar months, shall terminate on the expiration or earlier termination of this Lease. If however, the Landlord considers it necessary or convenient for the Landlord's purposes, the Landlord may at any time and from time to time by written notice to the Tenant, specify a date from which each subsequent Rental Year is to commence, and in such event the then current Rental Year shall terminate on the day immediately preceding the commencement of such new Rental Year, and the appropriate adjustments shall be made between the parties.

1.22 **“Sales Taxes”** means all business transfers, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada or any provincial or local government upon the Landlord, or the Tenant or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

1.23 **“Taxes”** means all taxes, rates, duties, levies, fees, Charges, sewer levies, local improvement rates, and assessments whatsoever, imposed, assessed, levied or charged now or in the future by any school, municipal regional, provincial, federal, parliamentary or other governmental body, corporate authority, agency or commission (including, without limitation, school boards and utility commissions), against the Premises and/or the Landlord in connection therewith, but excluding (unless specifically referred to above):

- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of the business of the Landlord which pertains to the operation, maintenance and repair of the Premises; and
- business or similar taxes or license fees in respect of the business carried on by the Tenant on the Premises; and
- Capital Tax.

1.24 **“Tenant's Taxes”** means the aggregate of:

- all taxes imposed upon the Tenant which are attributable to the Premises, furnishings, fixtures and Leasehold Improvements installed in the Premises by or on behalf of the Tenant during the Term; and
- all taxes imposed upon the Tenant which are attributable to the business, income or occupancy of the Premises by Tenant.

1.25 **“Term”** means the term of this Lease as specified in section 3.3 herein.

1.26 **“Trade Fixtures”** means trade fixtures as determined at common law and includes the personal chattels installed at the commencement of the Term, or during the Term by or on behalf of Tenant, in, on, or which serve, the Premises, for the sole purpose of Tenant carrying on its trade in the Premises and, for greater certainty, expressly include all assets, fixed or otherwise (including paint booths) owned or acquired by the Tenant in connection with the transactions contemplated by the Purchase Agreement, and which Trade Fixtures the Tenant shall be permitted to remove only to the extent permitted by the terms of this Lease, but Trade Fixtures do not include Leasehold Improvements of the Tenant.

1.27 **“Work”** means making, erecting, altering or installing any Leasehold Improvements, alterations or installations on or to the Premises.

## **ARTICLE 2 -GENERAL**

### **2.1 Tenant's Covenants**

The Tenant covenants with the Landlord:

- (a) to pay Rent; and
- (b) to observe and perform all the covenants and obligations of the Tenant herein.

### **2.2 Landlord's Covenants**

The Landlord covenants with the Tenant:

- (a) for quiet enjoyment; and
- (b) provided the Tenant pays the Rent and observes and performs all of its covenants and obligations herein, to observe and perform all the covenants and obligations of the Landlord herein.

### 2.3 Deemed Covenants

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

## ARTICLE 3-DEMISE AND TERM

### 3.1 Demise of Premises

The Landlord, being registered owner of the Lands, does hereby demise and lease unto the Tenant and the Tenant hereby lease from the Landlord, the Premises for the Term and subject to the provisions and covenants set forth in this Lease which the Landlord and the Tenant each agree with the other to observe and perform as the same may be applicable to each of them respectively.

### 3.2 Term

- (a) To have and to hold the Premises for and during the Term, unless sooner terminated pursuant to the provisions of this Lease, commencing on the \_\_\_\_ day of \_\_\_\_\_, 2020 and ending on the \_\_\_\_ day of \_\_\_\_\_, 2030.
- (b) Provided that the Tenant is not in default of this Lease at the time it provides the Renewal Notice (as defined in this Section to the Landlord, the Tenant shall have the option to renew the term of this Lease for Two (2) additional periods of Five (5) years each (each a "**Renewal Period**") upon the same terms and conditions as herein provided, except as to Basic Rent (the "**Renewal Option**"). The Minimum Annual (Basic) Rent for a Renewal Period shall be the then fair market rent for the Premises as agreed upon by the parties, failing which, the dispute resolution provisions of Section 16 shall apply. Such Renewal Option is to be exercised by the Tenant by giving written notice (the "**Renewal Notice**") to the Landlord not later than six (6) months prior to the expiration of the Term, otherwise this option is null and void.
- (c) The Tenant, in consideration of and subject to the terms of this Lease, is hereby granted the exclusive right, option and privilege of purchasing the Premises at any time for a period of Three (3) Years commencing on the second anniversary of the Closing Date (as therein defined) of the share purchase agreement (the "**Purchase Agreement**") among CMD Holdings Ltd., Christos Stathonikos Family Trust, David Stretz Family Trust, Matthew Stathonikos Family Trust, Domna Investments Inc., 1427916 Alberta Inc., 1427913 Alberta Inc. and 2270683 Alberta Ltd. (the "**Purchase Option**"). The Tenant shall notify the Landlord in writing of its intention to exercise the Purchase Option at least two (2) months prior to any intended purchase date.
- (d) The purchase price to be paid by the Tenant for the purchase of the Premises pursuant to this Lease and the Purchase Option shall be established through mutually acceptable appraisals from an independent qualified appraiser.
- (e) The Purchase Option granted herein shall extend to the original Tenant named herein or its nominee only and may not be assigned or transferred without the express consent of the Landlord in writing, which consent may be withheld for any reason whatsoever.

### 3.3 Overholding

The Tenant shall surrender possession of the Premises immediately upon the expiration or earlier termination of the Lease. If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord and without any further written agreement, or without the consent of the Landlord, there shall be no tacit renewal or extension of this Lease and, despite any statutory provision or legal presumption to the contrary, the Tenant shall be deemed conclusively to be occupying the Premises as a monthly tenant at will if the Landlord did consent to the Tenant remaining in possession, or as a tenant at will if the Landlord did not consent to the Tenant remaining in possession, in either case on the same terms as set forth in the Lease as far as such terms would be applicable to a monthly tenancy, and except for any right of renewal, at a monthly Basic Rent payable in advance and equal to one and a half (1.5) times the monthly Basic Rent payable immediately prior to the overholding plus additional rent equivalent to Additional Rent hereunder. The Tenant shall promptly indemnify and hold harmless the Landlord from and against any and all claims incurred by the Landlord as a result of the Tenant remaining in possession of all or any part of the Premises after the expiry of the Term. The Tenant shall not make any counterclaim in any summary or other proceeding based on such overholding by the Tenant. If, for whatever reason, a monthly tenancy at will is in effect, the Tenant shall provide a minimum of thirty (30) days written notice to the Landlord expressing its intent to terminate this Lease and vacate the Premises.

### **3.4 Leasehold Improvements**

- (a) Subject to subsections (b) and (c), upon the expiration or other termination of this Lease, all Leasehold Improvements in the Premises, including all fixed partitions (including floor to ceiling partitions) which, although demountable, involve attachment to any floor, ceiling or permanent wall such that they cannot be removed without damage to the Premises, but expressly excluding the Tenants movable partitions such as free standing partitions or partial height partitions which can be removed without damage to the Premises and which shall be deemed to be removable Trade Fixtures, shall remain upon and be surrendered with the Premises as a part thereof without disturbance, molestation or injury and the same and any Trade Fixtures not removed by the Tenant are the Premises of the Landlord absolutely, free of any liens or encumbrances and without payment therefor to the Tenant.
- (b) The Landlord may, by notice to the Tenant prior to or promptly after the expiration or other termination of this Lease, reasonably require the removal forthwith, at the expense of the Tenant of any or all of the Tenant's Trade Fixtures and Leasehold Improvements and the repair forthwith of any damage to the Premises caused by such removal, such work to be done forthwith by or at the direction of the Landlord and at the expense of the Tenant.
- (c) Notwithstanding anything herein contained, provided the Tenant has paid the Rent hereby reserved and performed and observed all the covenants and conditions herein contained, the Tenant shall have, at the expiration or other termination of this Lease, the right to remove its Trade Fixtures, provided that the Tenant repairs by the expiration or other termination of this, at its own expense, any damage to the Premises caused by such removal.

## **ARTICLE 4 -RENT**

### **4.1 Basic Rent**

During the Term of the Lease, the Tenant shall pay to the Landlord, without any prior demand therefore yearly and throughout the Term a fixed annual rent, exclusive of GST or any other like tax applicable, payable in Canadian Dollars, in equal monthly installments in advance without demand, on the first day of each month during the Term as follows:



<u>TERM</u>	<u>RATE (per sq. ft.)</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>
***, 2020 to ***, 2023	\$16.75	\$274,415.25	\$22,867.94
***, 2023 to ***, 2024	\$17.08	\$279,821.64	\$23,318.47
***, 2024 to ***, 2025	\$17.41	\$285,228.03	\$23,769.00
***, 2025 to ***, 2030	\$17.75	\$290,798.25	\$24,233.19

Payments for partial months will be prorated.

#### 4.2 Additional Rent

The Tenant shall pay to the Landlord, during the Term, when due, as Additional Rent, to the extent actually provided by or on behalf of the Landlord to the Tenant or in respect of the Premises during the Term and without duplication, the following:

- (a) supplies and materials used in the operation, maintenance and security of the Premises;
- (b) amounts respecting all maintenance, landscaping and similar services for the Premises and the associated equipment therein or thereon, including, without limitation, alarm service, window cleaning and security;
- (c) amounts respecting all insurance required by this Lease to be carried by the Landlord relating to the Premises;
- (d) amounts respecting all utilities for the Premises, including the cost of water, power, heating, lighting, air-conditioning and ventilating and all other utilities for the Premises and including the cost and charges for water, sewer and other utility hook-up, connection and service and garbage and waste collection, removal or recycling;
- (e) reasonable fees, costs and disbursements of the Landlord's professional consultants incurred in connection with the obligations of the Landlord as required by the terms of this Lease;
- (f) depreciation of the cost of the following capital investment items, amortized over the reasonable life of the capital investment items (determined in accordance with generally accepted accounting principles and in no event to extend beyond the reasonable depreciable life of the Premises) incurred with respect to:
  - (A) any capital investment items which are primarily for the purpose of reducing operating costs for the Tenant or which may be required by governmental authority; in the case of any capital investment items for the purpose of reducing Operating Costs, the Landlord shall provide a cost benefit justification for its practicality; and
  - (B) all other fixtures, equipment and facilities servicing or comprising the Premises (including the heating, ventilating and air- conditioning and climate control system servicing the Premises) which by their nature require periodic or substantial repair or replacement, including the repair and replacement thereof, unless they are fully charged in the year in which they are incurred and are fully included in Operating Costs for that year; and
- (g) the following taxes which relate to the Premises:
  - (i) all Tenant's Taxes;

- (ii) that portion of Taxes payable by the Tenant pursuant to Section 5.2;
- (h) Operating Costs pursuant to Section 6.1;
- (i) all Additional Service Costs or fees payable by the Tenant, if and to the extent applicable; and
- (j) all other amounts payable by the Tenant pursuant to this Lease.

#### 4.3 **Payment of Additional Rent**

- (a) The Additional Rent specified in above shall be paid and adjusted with reference to a fiscal period of twelve (12) calendar months, which shall be the twelve (12) month period ending on December 31<sup>st</sup> in each year during the Term unless the Landlord, by notice to the Tenant, shall from time to time have selected a fiscal period which ends on a different date (but which shall be a twelve (12) month period except where a shorter broken fiscal period occurs at the commencement or end of the Term or is necessary to accommodate a change in the fiscal period made during the Term). From time to time throughout the Term, no later than ninety (90) days prior to the next fiscal period, the Landlord shall give notice to the Tenant of the Landlord's estimate of such Additional Rent to be paid by the Tenant during the next ensuing fiscal period. This estimate will be based in part on the Operating Costs, Taxes and Additional Service Cost expenses for the preceding year modified by any known decrease or increase. Such Additional Rent payable by the Tenant shall be paid in equal monthly installments in advance at the same time as payment of Basic Rent is due hereunder and shall be based on the Landlord's estimate as aforesaid.
- (b) The Tenant shall pay all Additional Service Costs or expenses within ten (10) days after receipt by it from time to time of invoices from the Landlord specifying the amounts thereof.

#### 4.4 **Adjustment of Additional Rent**

- (a) After the end of each fiscal period referred to in Section 4.3, the Landlord shall deliver to the Tenant a statement of the Landlord as to the actual Additional Rent payable to the Landlord pursuant to Subsections 4.2(b) and 4.2(c) in respect of such fiscal period just terminated and a calculation of the amount by which such Additional Rent payable by the Tenant varies from the aggregate installments paid by the Tenant on account of such Additional Rent for such fiscal period. Within thirty (30) days after the receipt of such statement, either the Tenant shall pay to the Landlord any amount by which the amount found payable by the Tenant with respect to such fiscal period exceeds the aggregate of the monthly payments made by it on account thereof or the Landlord shall pay to the Tenant any amount by which the amount found payable as aforesaid is less than the aggregate of such monthly payments.
- (b) The Tenant shall have the right, exercisable by notice to the Landlord given within thirty (30) days after receipt of any statement of such Additional Rent submitted by the Landlord as aforesaid, to verify or audit (at the Tenant's sole expense) the accuracy of any amount shown on any statement, upon five (5) days prior notice to the Landlord, by inspecting the records and accounts of the Landlord pertaining to such Additional Rent statement. The Landlord shall provide electronic copies of the foregoing to facilitate the review of same by the Tenant as the Tenant may reasonably request, provided that in no event shall any such planned inspection permit the Tenant to delay payment of such Additional Rent as required by this Section 4.4.

#### 4.5 **Apportionment of Rent**

Rent shall be considered as accruing from day to day hereunder. If it is necessary to calculate Rent for a period of less than one year or less than one calendar month, an appropriate apportionment and adjustment on a pro rata daily basis shall be made. Where the calculation of Additional Rent cannot be made until after the expiration or earlier termination of this Lease, the obligation of the Tenant to pay such Additional Rent or the obligation of the Landlord to reimburse any overpayment of Additional Rent paid by the Tenant, as applicable, shall survive the expiration or earlier termination hereof and such amount shall be paid by the applicable party forthwith upon demand. If the Term commences on any day other than the first day of the month, Rent for such fraction of a month shall be adjusted, as aforesaid, and paid by the Tenant on the commencement date of the Term.

#### **4.6 Additional Rent Deemed**

All Additional Rent shall be deemed to be Rent and the Landlord shall have all rights against the Tenant for Default in payment of Additional Rent as for Default in the payment of Basic Rent.

#### **4.7 Arrears**

- (a) If, at any time during the Term, the Landlord accepts payment(s) from the Tenant that is less than the full amount owing to the Landlord, such acceptance by the Landlord will not be considered to forgive the Tenant of its obligation to pay the remainder of the amount owing.
- (b) If the Tenant fails to pay Rent or any other payment due to the Landlord under the terms of the Lease when due, the Tenant shall pay interest on the unpaid amount at the Rate of Interest from the date due until the date paid, both before and after default, demand and judgment, all without prejudice to and in addition to any other right or remedy of the Landlord under this Lease or at law.

#### **4.8 Net Lease to Landlord**

This Lease and the Rent payable hereunder shall be absolutely net to the Landlord, except as expressly provided herein. For certainty, the Tenant shall pay all costs, charges and expenses related to the Premises during the Term except as expressly set out herein.

#### **4.9 N.S.F. Cheques**

For each and every cheque written payable to the Landlord from the Tenant which cannot be cashed because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, and, for each and every Tenant Bank Account Debit which cannot be processed by the bank because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, the Tenant will be liable for and will be invoiced for a thirty (\$30.00) dollar penalty. This penalty will be payable immediately upon receipt of the invoice by the Tenant.

### **ARTICLE 5 - TAXES**

#### **5.1 Tenant's Taxes and Sales Taxes**

The Tenant shall pay when due to the taxing authority or authorities having jurisdiction, all Tenant's Taxes. All financial components of this Lease are subject to goods and services tax (G.S.T.) unless specifically identified to the contrary.

#### **5.2 Tenant's Contribution to Taxes**

The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the Taxes that are fairly attributable to the Premises for such calendar year, such amount to be determined by the Landlord acting reasonably. If there are separate assessments (or, in lieu thereof, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the occupation and operation of the Premises for tax purposes, the Landlord shall have regard thereto for purposes of determining the amount payable by the Tenant hereunder.

- (a) The Tenant shall provide the Landlord with a copy of any separate notices of assessment for the Premises which the Tenant has received.
- (b) The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the taxes imposed on the Landlord, if any, which are attributable to Premises, furnishings, fixtures or Leasehold Improvements installed within the Premises.
- (c) Payment by the Tenant of all amounts on account of Taxes shall be governed by Sections 4.3 and 4.4.

## **ARTICLE 6 -SERVICES**

### **6.1 Tenant's Contribution to Operating Costs**

- (a) The Tenant shall throughout the Term, pay to the Landlord an amount equal to Operating Costs incurred by the Landlord in accordance with the terms hereof.
- (b) Payment by the Tenant of all amounts on account of the Operating Costs shall be governed by Sections 4.3 and 4.4.
- (c) Notwithstanding the foregoing, the Landlord and the Tenant agree that it is mutually advantageous for the Tenant to contract for and pay directly as many of the costs required for the occupation of the Premises and operation of its business therein during the Term. The Tenant shall reimburse the Landlord for the Operating Costs directly incurred and paid by the Landlord. Save and except as contemplated or authorized by the provisions of this Lease, the Landlord shall not bill the Tenant for Operating Costs that it is incurring directly without the consent of the Tenant, such consent not to be unreasonably withheld.
- (d) Upon the request of the Landlord, the Tenant shall promptly deliver to the Landlord for inspection, receipt for payment of all such costs paid directly by the Tenant. Upon request of the Tenant, the Landlord shall promptly deliver to the Tenant for inspection receipt for payment of all Operating Costs paid directly by the Landlord.

### **6.2 Additional Service Fee**

If the Tenant requests, and the Landlord agrees, to perform a job or service above and beyond any required by the Lease, the Tenant shall pay to the Landlord, within ten (10) days after receipt of the Landlord's invoice, the Landlord's out-of-pocket Costs incurred in providing the job or service, including a fee for associated labour and together with a coordination and supervision fee equal to fifteen (15%) percent of the Landlord's Costs for such Additional Service (plus applicable taxes thereon).

### **6.3 Electricity and Other Utilities**

- (a) The Charges for electricity and other utilities used in the Premises shall be determined by the utility service provider where separately metered or by the Landlord or its Agent using a reasonable method of calculation which has been communicated to the Tenant.
- (b) The Tenant shall replace, as and when required, all electric light bulbs, fluorescent tubes and ballasts in the Premises and provide the necessary maintenance and repair of emergency lighting systems, as well as of fluorescent and other standard building lighting fixtures located in the Premises during the Term.
- (c) The Tenant shall pay all charges for electricity and other utilities provided to the Premises. If, and whenever one or more than one utility service to the Premises is separately metered, the Tenant shall notify the appropriate utility service providers in advance and initiate direct billing for these same separately metered services to their Premises in their name and business address to commence on the Tenant's first day of occupancy in the Premises.

## **ARTICLE 7 -USE AND OCCUPANCY OF PREMISES**

### **7.1 Nature of Tenant's Business**

The Tenant hereby states and agrees that the nature of the Tenant's business is best described as that of autobody repair and ancillary services.

### **7.2 Use of Premises**

- (a) The Tenant shall, in good faith, continuously, actively and diligently use the Premises solely for the purposes of autobody repair and ancillary services and loading and unloading vehicles, directly related to the Tenant's business. The Tenant shall not use or suffer the use of the Premises or any part thereof for any other business or purpose without the prior written approval of the Landlord. It is the Tenant's sole responsibility to apply for, obtain and pay for an Occupancy Permit and/or Business License (whatever is required by the City of Calgary) so that it is in effect at all times during the Term that the Tenant is using the Premises for the purposes allowed for herein. Any risk of not receiving the required permit(s) for the Tenant's requested use of the Premises from the City of Calgary shall be accepted solely by the Tenant and under no circumstance shall the Tenant be relieved of its obligations under the Lease in connection with the foregoing requirement.
- (b) Any change of use for the Premises during the Term shall require the prior written approval of the Landlord. If any change of use requested by the Tenant and approved by the Landlord requires a Change of Use application by the City of Calgary, or the re-issue of an Occupancy Permit by the City of Calgary, same shall be acquired by and be at the sole cost and expense of the Tenant, within a reasonable period of time. A copy of all final documentation from the City of Calgary regarding the use or occupancy of the Premises shall be forwarded forthwith to the Landlord. A breach by the Tenant of any of the provisions of this paragraph shall constitute an event of Default allowing the Landlord to immediately terminate the Lease and pursue any remedies it may have against the Tenant in law or in equity.

### **7.3 Waste and Nuisance**

The Tenant shall not initiate (intentionally or otherwise), use, exercise or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noise, or noxious, noisome or offensive art, trade, business, occupation or calling, and no act, thing or matter whatsoever shall, at any time

during the continuance of this Lease, be done or not done upon the Premises or any part thereof (including, without limitation, noxious odors emanating or escaping from the Premises) which shall or may be or grow to the annoyance, nuisance, grievance or cause damage to the Landlord or and upon direction of the Landlord, the Tenant shall forthwith, at the Tenant's expense, remedy any situation resulting in a breach of this provision.

#### **7.4 No Overloading of Floors, Services**

The Tenant shall not permit or allow any overloading of the floors of the Premises or the bringing into any part of the Premises of any articles or fixtures that by reason of their weight or size might damage or endanger the structure of the Premises or the Building. The Tenant shall not install or permit the installation of, any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Premises and the Tenant will not bring into the Premises or install any new utility, electrical or mechanical facility which Landlord has not first approved in writing.

#### **7.5 Insurance Cancellation or Cost Increase**

- (a) The Tenant shall not do or omit to do or permit to be done or omitted to be done in the Premises anything which would cause any policy of insurance on the Premises to be subject to cancellation or non-renewal or which would cause a material increase in the cost of any insurance which the Landlord is obligated by this Lease to maintain. Upon any act or omission by the Tenant or any person for whom it is at law responsible which would result in cancellation or non-renewal in respect of such insurance which the Tenant does not promptly pay upon written demand, the Landlord may, at its option, terminate this Lease on ten (10) days' further written notice to the Tenant. The Tenant shall pay to the Landlord, forthwith upon demand, the amount of any such increase in cost of insurance caused by any act or omission of the Tenant in respect of the Premises.
- (b) If any insurance policy is cancelled or threatened by the insurer to be cancelled or the coverage thereunder is altered in any way because of the use of the Premises by the Tenant or by any person for whom the Tenant is in law responsible, and if the Tenant fails to remedy the condition giving rise to the cancellation, threatened cancellation or material alteration in coverage within five (5) business days after notice thereof is given to the Tenant (or such lesser period as the Landlord acting reasonably may determine, having regard to the urgency of the situation), the Landlord may, (but shall not be obligated to), without further notice or any liability to the Tenant or any other occupant of the Premises, enter the Premises and attempt to remedy such condition or obtain or attempt to obtain insurance coverage in replacement of the coverage cancelled, threatened to be cancelled or altered in coverage; and the Tenant shall pay to the Landlord, forthwith upon demand, the increased cost thereof of the insurance which the Landlord is obligated under this Lease to maintain.

#### **7.6 Observance of Law by Landlord and Tenant**

- (a) The Landlord shall, at its expense (unless the expense is included in Operating Costs), promptly comply with and conform to the requirements of every applicable statute, law, bylaw, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Premises other than as to those matters which are the obligation of the Tenant as provided in subsection (b) or the obligation of any other tenant.
- (b) The Tenant shall, at its expense, observe and promptly comply with and conform to, including such modifications, alterations or changes to the Premises as may therefore be necessary, the requirements of every applicable statute, law, bylaw, regulation, ordinance, police, security, energy conservation, fire, health and sanitary directive, requirement and order at any time or from time to time in force

during the Term affecting the Tenant's use of the Premises or any part thereof and/or the business carried on therein and/or the Leasehold Improvements, Trade Fixtures, furniture, machinery, equipment and other facilities located in the Premises affected by the Tenant's actions in the Premises.

## 7.7 Hazardous Substances

- (a) The term "**Hazardous Substances**" as used in this Lease shall include, without limitation, flammables, explosives, radioactive materials, asbestos, radon, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority.
- (b) The Tenant shall not cause or permit to occur during the Term:
  - (i) any violation of any federal, provincial, or local law, ordinance; or regulation now or hereafter enacted, related to environmental conditions, on, under, or about the Premises, or arising from the Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or
  - (ii) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except in accordance with applicable laws and regulations.
- (c) Environmental Clean-up
  - (i) The Tenant shall, at the Tenant's expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances (the "**Environmental Laws**");
  - (ii) The Tenant shall, at the Tenant's sole expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "**Authorities**") under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease;
  - (iii) Should any of the relevant Authorities or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, then the Tenant shall, at the Tenant's expense, prepare and submit the required plans and all related bonds and other financial assurances; and the Tenant shall carry out all such clean-up plans;
  - (iv) The Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is reasonably requested by the Landlord. If the Tenant fails to fulfill any duty imposed under this Section 7.7 within a reasonable time, the Landlord may do so; and in such case, the Tenant shall cooperate with the Landlord in order to prepare all documents the Landlord deems necessary or appropriate to determine the applicability of the Laws to the Premises and the Tenant's use thereof, and for compliance therewith, and the Tenant shall execute all documents promptly upon the

Landlord's request. No such action by the Landlord and no attempt made by the Landlord to mitigate damages under any Law shall constitute a waiver of any of the Tenant's obligations under this Subsection 7.7(c) hereof; and

- (v) The Tenant's obligations and liabilities under this Subsection 7.7(c) hereof shall survive the expiration of this Lease.
- (d) Tenant's Indemnity
- (i) The Tenant shall indemnify, defend, and hold harmless the Landlord and its officers, directors, beneficiaries, shareholders, partners, Agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including reasonable solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the Term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, or from the Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease.
  - (ii) The Tenant's obligations and liabilities under Subsection 7.7(d) hereof shall survive the expiration or earlier termination of this Lease.
- (e) Landlord's Indemnity
- (i) The Landlord shall indemnify, defend, and hold harmless the Tenant, and its officers, directors, beneficiaries, shareholders, partners, agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including actual solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs or is attributable to a period prior to the Term of this Lease which arises from the Landlord's or any other tenant's use or occupancy, at or from the Premises, or from the Landlord's or any other tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to a period prior to the commencement of the Term of this Lease.
  - (ii) The Landlord's obligations and liabilities under Subsection 7.7(e) hereof shall survive the expiration or earlier termination of this Lease.

## 7.8 Signs

The Tenant shall not, without the Landlord's prior written approval, not to be unreasonably withheld, affix, inscribe, paint nor cause to be affixed, inscribed or painted on any of the windows of the demised Premises, or on any part of the exterior of the Building any sign, advertisement or notice, unless such sign, advertisement or notice shall be of such color, size and style and placed in such places as shall be first designated by the Landlord, and subsequent to such written approval of the Landlord, the Tenant may use any Landlord approved sign contractor at the Tenant's sole cost and expense; and provided that the Tenant on ceasing to be the Tenant of the Premises will, before vacating the Premises, cause any sign, advertisement or notice as aforesaid described to be removed at its own expense in a good and workmanlike manner and shall repair any damage to the Premises caused by any such removal or pay the cost of such repair to the Landlord. In the event any sign,



advertisement or notice shall be affixed or exposed without consent of the Landlord then the Landlord at the expense of the Tenant shall be at liberty to remove or obliterate such sign, advertisement or notice and for such purpose if reasonably necessary the Landlord by its servants or agents may enter upon the demised Premises. The Tenant will indemnify and save harmless the Landlord from any and all claims for damages which may result to any person or Premises as a result of the existence of the said signs or any of them -except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

#### **7.9 Keys to Premises and Building Access Cards**

- (a) The Landlord shall provide the Tenant with two (2) keys for each entrance to the Premises at no charge. The Tenant may have additional keys made as required by the Tenant, at the Tenant's sole cost. If the Tenant chooses to re-key one or more locks on their entrance door(s) they may do so at their Cost as long as they promptly provide the Landlord with a working duplicate of each key.
- (b) If the Tenant's Premises is located in a Building controlled by access cards, two (2) cards will be provided to the Tenant at no charge and new or additional cards will be provided to the Tenant at its request, with reasonable notice to the Landlord, and the Tenant will be charged twenty-five (\$25.00) dollars for each card requested.
- (c) All keys and access cards (if applicable) shall be returned to the Landlord upon vacating the Premises at the expiration or earlier termination of the Lease.

#### **7.10 Satellite Signal, Wireless Internet and Data Communication Hardware**

The Tenant shall be permitted to install, or have installed, at its own expense, any equipment, apparatus or hardware required to receive or transmit a satellite signal or wireless internet and data communication ("Hardware") on any part of the exterior of the Building.

- (i) Upon lease expiry or termination, at the sole discretion of the Landlord, and at the sole expense of the Tenant, all Hardware shall be expediently removed and the Tenant shall make good, to the satisfaction of the Landlord, any and all damage or alterations caused by the installation or removal of the Hardware to the Premises and/or to the Building. Failure to expediently remove Hardware and make good damage or alterations may, at the sole discretion of the Landlord, result in the withholding of Security Deposit funds

### **ARTICLE 8 -ALTERATIONS**

#### **8.1 Alterations by Tenant**

- (a) The Tenant shall not, without the prior consent of the Landlord, initiate or undertake any Work in or on the Premises.
- (b) If the Tenant wishes to do any Work, the Tenant shall apply for the Landlord's consent and furnish such plans, specifications and designs as shall be necessary to fully describe the Work. The Landlord's consent thereto shall not be unreasonably withheld or delayed.
- (c) Subject to the Landlord's consent having been obtained and the Landlord's reasonable requirements (including the posting of reasonable security, if reasonably requested) being met, the Landlord recognizes the right of the Tenant to install such interior partitions and other Leasehold Improvements as are necessary or appropriate to its use and occupancy of the Premises.

- (d) Any Work shall be performed by contractors retained by the Tenant and approved by the Landlord (such approval not to be unreasonably withheld, conditioned or delayed). The Landlord shall have the right to inspect such Work and require any Work not being properly done to be corrected, and to approve on a reasonable basis the contractors, tradesmen or the Tenant's own employees (as the case may be) employed by the Tenant in connection therewith.
- (e) The Tenant shall pay to the Landlord, within ten (10) days after the receipt of the Landlord's invoice, the Landlord's reasonable out-of-pocket costs incurred in examining and approving the Tenant's plans, specifications and designs and in inspecting the Work.
- (f) The Tenant shall provide to the Landlord a complete set of updated, as-built drawings of the Premises including, without limitation, all electrical, mechanical and architectural drawings if reasonably required by the Landlord.

## 8.2 Fire Alarm and Sprinkler Systems

The Tenant agrees that if it does any Work, or has any Work done on either new or existing Leasehold Improvements either prior to or during the Term, or use or store any potentially flammable materials that in any way affects or may affect the intended legal operation of integral Building systems including, without limitation, fire alarm systems and/or fire sprinkler systems the following conditions will subsequently apply:

- (a) The affected system(s) shall be expediently verified correct in every respect and proven legally operational by an appropriate professional, immediately followed with certification by the appropriate City Inspector.
- (b) A copy of the professional's certification shall be delivered to the Landlord within ten (10) days of receipt by the Tenant.
- (c) All costs associated with having affected Building systems certified or inspected in accordance with the foregoing will be borne solely by the Tenant.
- (d) All costs associated with rectifying any deficiencies and all subsequent inspection report failures will be borne solely by the Tenant, except to the extent caused by or as a result of the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

## 8.3 No Lien on the Premises

The Tenant shall not create any lien, mortgage, charge, conditional sale agreement or other encumbrance in respect of any Leasehold Improvements or, without the consent of the Landlord, with respect to its Trade Fixtures; nor shall the Tenant take any action as a consequence of which any such prohibited lien, mortgage, Charge, conditional sale agreement or other encumbrance would attach to the Premises

## 8.4 Liens

- (a) In connection with the making, erection, installation or alteration of Leasehold Improvements and Trade Fixtures and all other work or installations or alterations made by or for the Tenant in the Premises, the Tenant shall comply with every applicable statute, law, bylaw, regulation, ordinance and order affecting the same and affecting the Premises as a result of the actions of the Tenant including, without limitation, the *Builders' Lien Act* (Alberta), and any other statutes from time to time applicable

thereto (including any provision requiring or enabling the retention by way of holdback of portions of any sums payable) and, except as to any such holdback, shall promptly pay all accounts relating thereto.

- (b) Whenever any builder's lien or other lien for work, labor, services or materials supplied to or for the Tenant and for which the Tenant is liable for the cost or for the -cost of which the Tenant may be in any way liable or claims therefor shall arise or be filed or any prohibited mortgage, charge, conditional sale agreement or other encumbrance shall attach, the Tenant shall within twenty (20) days after receipt of notice thereof commence to and diligently pursue procurement and registration of the discharge thereof, including any certificate of lis pendens registered in respect of any lien, by payment or in such other manner as may be required or permitted by law, and failing which the Landlord may make any payments required to procure and register the discharge of any such liens or encumbrances, including any certificate of lis pendens registered in respect of any lien, and shall be entitled to be reimbursed by the Tenant as provided in Section 15.3, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement set-off or defence.

## **ARTICLE 9 -REPAIRS**

### **9.1 Landlord's Repairs**

Subject to Section 9.5 and except as provided in Section 9.2, the Landlord shall be responsible for the following repairs, maintenance and, as may reasonably be required, replacement:

- (a) the Building including all the external and structural parts of the Building but excluding any parts thereof (except as specified in subsection (b) hereof) which comprise the whole or a part of the Premises;
- (b) repairs to the Building or the Premises of a capital nature;
- (c) replacement and non-routine repair of the boilers, pipes and other apparatus used for the purpose of heating or air conditioning the Premises and water pipes, drainage pipes, electrical systems and lighting;
- (d) replacement and repair of the roof and roof membrane; and
- (e) Insured Damage.

For certainty, the Landlord shall not be responsible for any repair, maintenance or replacement to the extent that the need for same is caused by the willful misconduct or negligence of the Tenant or those for whom the Tenant is at law responsible.

### **9.2 Tenant's Repairs**

- (a) Subject to Section 9.5, the Tenant shall, at its expense and throughout the Term, keep the Premises and its Leasehold Improvements and Trade Fixtures therein in good condition and repair having regard to the permitted use of the Premises and the condition of the Premises as at the commencement of this Lease. In particular, the Tenant shall:
  - (i) undertake routine maintenance and repair of the heating, ventilation and air-condition apparatus of the Building including the plumbing, sprinkler, drainage and electrical systems,

or any part thereof, consistent with past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably; and

- (ii) be responsible for the cost of repairing any heating, ventilation, air conditioning apparatus and other mechanical systems of the Building including the plumbing, sprinkler, drainage and electrical systems, or any part thereof, to the extent the need for same is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.

The applicable maintenance schedule and standards for such maintenance and repair obligations as set forth in this Section 9.2(a) shall be determined and agreed by and between the Landlord and the Tenant, each acting reasonably and having regard for the past practice of the Landlord and including, without limitation, the condition as at the commencement of this Lease of the applicable portions and systems comprising the Premises.

- (b) For certainty, the Tenant shall not be responsible for Insured Damage, repairs which the Landlord is otherwise obliged to repair pursuant to the terms of this Lease, or any repair or replacement the need for same is caused by the willful misconduct or negligence of the Landlord or those for whom the Landlord is at law responsible.
- (c) The Tenant shall also make good any damage to the Premises caused by the Tenant or those for whom it is in law responsible and which is not Insured Damage. All repairs by the Tenant shall be subject to Section 8.1.

### **9.3 Entry by Landlord to View State of Repair**

The Landlord shall be entitled, at any time upon reasonable prior notice to the Tenant (not less than twenty-four (24) hours) and from time to time, to enter and view the state of repair of the Premises. The Tenant shall repair, only as specified in Sections 8.1 and 9.2.

### **9.4 Notice of Defects**

The Tenant shall give to the Landlord prompt notice of any defect in the Building or Premises of which it becomes aware, including plumbing or utility systems and equipment or any other part thereof howsoever caused; provided that nothing herein shall be construed so as to require repairs to be made by the Landlord, except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible and except as otherwise expressly provided in this Lease.

### **9.5 Tenant to Leave Premises in Good Repair**

The Tenant shall leave the Premises and (subject to Section 3.5) the Leasehold Improvements, at the expiration or earlier termination of the Lease, in the condition and repair as required of the Tenant under Section 9.2(a).

### **9.6 Termination or Abatement after Damage**

If and whenever the Premises is destroyed or damaged by any cause to the extent that, in the Landlord's reasonable opinion to be given in writing to the Tenant within sixty (60) days after the occurrence of such damage or destruction, they are unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage, then either the Landlord or the Tenant may terminate this Lease by notice to the other, to be given within thirty (30) days after the giving of the Landlord's written opinion above referred to, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord and Rent

shall be apportioned to the date of such destruction or damage (subject to the payment of Rent from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises is fit for occupancy by the Tenant until such surrender is of the total Net Rentable Area of the Premises). For certainty, any decisions regarding the extent to which the Premises has become unfit for use shall be made by a third party architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties hereto.

### 9.7 Tenant Terminates

If Tenant exercises its right to terminate this Lease under this Clause, Tenant shall make available (or pay over) to Landlord the proceeds of insurance carried by Tenant pursuant to Section 10.2 with respect to such fire or other casualty (excluding any insurance proceeds received by Tenant for any of Tenant's personal Premises) and property.

- (a) If and whenever all or any portion of the Building is destroyed or damaged by reason of any cause to such extent that:
  - (i) in the Landlord's reasonable opinion to be given to the Tenant in writing within sixty (60) days after the occurrence of such damage or destruction, it is unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage; or
  - (ii) the estimated cost (as estimated by the Landlord) of repairing or rebuilding the Premises exceeds the proceeds of insurance available to the Landlord for such purpose (or which would have been available if the Landlord had insured in compliance with Section 10.1); the Landlord may terminate this Lease upon not less than thirty (30) days prior written notice to the Tenant, given within sixty (60) days after the happening of such destruction or damage, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord; and
  - (iii) if and to the extent that such destruction or damage has rendered the Premises in whole or in part unfit for occupancy by the Tenant-, Rent shall abate from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises unfit for occupancy is of the total Net Rentable Area of the Premises; and
  - (iv) otherwise Rent shall be apportioned to the date of surrender.
- (b) If and whenever the Premises is destroyed or damaged by reason of any cause and this Lease shall not have been terminated, the Landlord shall, with all reasonable diligence, make the repairs specified in Section 9.1 and the Tenant shall, with all reasonable diligence and in compliance with Section 8.1, make all repairs to the Premises specified in Section 9.2 and complete the Premises for occupancy for the purpose described in Section 7.1 and in compliance with Subsection 7.6(b). If as a result of any destruction or damage to the Premises which the Landlord is obligated to repair pursuant to Section 9.1, and which is not the fault of the Tenant or those for whom it is at law responsible, and which does not consist of merely a temporary interruption of or interference with any utility, service or access, the Premises is rendered in whole or in part unfit for occupancy by the Tenant, then during the period commencing on the occurrence of such destruction or damage and ending upon the date when the repairs to the Premises have been completed, Rent hereby reserved shall be abated entirely from the date of damage until the Premises has been repaired or restored.

## ARTICLE 10 -INSURANCE AND LIABILITY

### 10.1 Landlord's Insurance

The Landlord shall throughout the Term hereof effect and maintain the following insurance in respect of the Building and the Lease:

- (a) "all risks" insurance which shall insure the Premises on a replacement value basis against fire, earthquake, extended coverage endorsement perils and other casualties and contingencies against which a reasonable landlord would insure;
- (b) boiler and machinery insurance on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
- (c) loss of rental income insurance in an amount sufficient to replace all Rent payable under the provisions of this Lease for an indemnity period of a reasonable period of time;
- (d) commercial general liability insurance covering claims for personal injury and Premises damage arising out of the operation of the Premises; and
- (e) such other coverage, or increases in the amount of coverage, as the Landlord may consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure the Leasehold Improvements in the Premises except to the extent herein specifically required.

### 10.2 Tenant's Insurance

- (a) The Tenant covenants and agrees with the Landlord to pay the cost of replacing any damaged plate or other glass in the windows and doors of the demised Premises, and repair damage to the demised Premises resulting from burglary or attempt thereat notwithstanding any other provision hereof **AND FURTHERMORE** the Tenant shall keep all plate glass and all doors and windows in the demised Premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained. The Tenant shall have any and all such damage expediently repaired and/or replaced with like kind and quality, and in any case to the sole satisfaction of the Landlord, acting reasonably.
- (b) Furthermore, the Tenant shall, at its expense, take out and keep in force during the Term:
  - (i) **Commercial General Liability Insurance:** inclusive limits commercial general liability insurance which shall include coverage for personal injury, contractual liability, non-owned automobile liability insurance and owned automobile insurance covering bodily injury, death and Premises damage, all on an occurrence basis with respect to the Tenant's use and occupancy of the Premises, with coverage for any one occurrence or claim of not less than Three Million (\$3,000,000.00) Dollars or such other amount as the Landlord may from time to time reasonably require upon not less than thirty (30) days' notice at any time during the Term, with the Landlord added as "additional insured" on the policy;
  - (ii) **Tenant Legal Liability Insurance:** Tenant's legal liability on an "all risk" format in a minimum amount that will cover the full replacement cost of the Premises (to the extent not arranged by the Landlord and charged to the Tenant as an Operating Cost pursuant to the terms hereof);

- (iii) **Leasehold Improvement Insurance:** "all risks" insurance including earthquake, flood and sewer backup perils covering the replacement value of the Leasehold Improvements for which insurance shall be a minimum amount equal to the total of fifty-five dollars times the square footage of the improved Premises and covering Trade Fixtures (if any) and burglary insurance with respect to the Premises for not less than the full replacement cost thereof, and which insurance shall include a bylaw endorsement and shall provide that any proceeds recoverable with respect to Leasehold Improvements shall be payable to the Landlord (but the Landlord agrees to make available such proceeds toward the repair or replacement of the insured Premises if this Lease is not terminated pursuant to any other provisions hereof); and
- (iv) **Miscellaneous Perils Insurance:** Insurance against such other perils and in such amounts as the Landlord or any mortgagee may from time to time reasonably require upon not less than sixty (60) days' notice, such requirement to be made on the basis that the required insurance is customary at the time in the same city or area for buildings similar to the Building.

### 10.3 Form of Tenant's Insurance

- (a) All policies of insurance required to be maintained by the Tenant hereunder:
  - (a) shall be on terms, and with such insurers, to which the Landlord has no reasonable objection;
  - (b) shall be primary non-contributing with, and not in excess of, any other insurance available to the Landlord or its mortgagee;
  - (c) with respect to the insurance described in Subsections 10.2(b)(ii), (iii) and (iv) shall name the Landlord as additional insured and loss payee and, during the Term, the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and loss payee;
  - (d) with respect to Subsections 10.2(b)(i) shall name the Landlord as an additional insured and, during the Term the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and Tenant Liability Insurance shall contain provision for cross-liability and severability of interest clauses;
  - (e) with respect to Subsections 10.2(b)(ii), (iii) and (iv) shall contain where applicable a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or anyone for whom the Landlord is in law responsible.
  - (f) Each policy shall also contain an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be cancelled or not be renewed, except after not less than thirty (30) days prior written notice to the Landlord of the intended change, lapse or cancellation.
- (b) The Tenant shall furnish to the Landlord, if reasonably requested by the Landlord, certificates as to the insurance from time to time effected by the Tenant and its renewal or continuation in force in form acceptable to the Tenant's insurers evidencing that the required insurance is in force, together with evidence as to the method of determination of full replacement cost of the Tenant's Leasehold Improvements and the Tenant's Trade Fixtures, furniture and equipment. If, during the Term, the

Landlord reasonably concludes that the full replacement cost has escalated for whatever reason, the Landlord may revise the coverage amount required by the Tenant. If the Tenant fails to take out, renew or keep in force such insurance, or if the certificates submitted to the Landlord pursuant to the preceding sentence are unacceptable to the Landlord (or no such certificates are submitted within a reasonable period after request therefor by the Landlord), the Landlord may give to the Tenant notice requiring compliance with this section and specifying the respects in which the Tenant is not then in compliance with this section. If the Tenant does not, within five (5) business days (or such lesser period as the Landlord may reasonably require having regard to the urgency of the situation), provide appropriate evidence of compliance with this section, the Landlord will charge the Tenant for all actions required to be taken, in the sole judgment of the Landlord, to ensure compliance with this section.

- (c) All costs reasonably incurred by the Landlord in connection with the foregoing will be considered as Additional Rent and shall be due immediately upon receipt of invoice by the Tenant. In addition, the Landlord may, but shall not be obligated to, obtain some or all of the additional coverage or other insurance which the Tenant shall have failed to obtain, without prejudice to any other rights of the Landlord under this Lease or otherwise, and the Tenant shall pay all premiums and other costs incurred by the Landlord forthwith upon demand.

#### 10.4 Release of Landlord by Tenant

Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (ii) arising from the breach by the Landlord of any provisions of this Lease (all of the foregoing referred to herein as the “**Tenant Exceptions**”), the Tenant hereby releases the Landlord from all claims, actions, causes of action, damages, demands for damages and other liabilities, that may be made by the Tenant against the Landlord under the provisions of this Lease. The Tenant agrees that the Landlord, except to the extent arising from the Tenant Exceptions, shall not be liable for and hereby releases the Landlord from any and all claims, causes of action, damage, demands for damage and other liabilities:

- (a) for any damage (other than Insured Damage) which is caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Premises or from the pipes or plumbing works, including the sprinkler system thereof, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring or of sprinkler heads;
- (b) any act or omission on the part of any Agent, contractor or person from time to time engaged by the Landlord to perform Additional Services in or about the Premises;
- (c) loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant; or
- (d) loss or damage for which the Tenant is required to or does carry insurance. In addition, the Tenant hereby releases the Landlord and those for whom the Landlord is at law responsible from all claims or liabilities in respect of damage required to be insured against by the Tenant pursuant to the terms of this Lease.

#### 10.5 Release of Tenant by Landlord

The Landlord hereby releases the Tenant and those for whom the Tenant is at law responsible from all claims or liabilities in respect of any damage which is Insured Damage to the extent of the insurance proceeds actually received by the Landlord.



## 10.6 Indemnities of Landlord by Tenant

- (a) Subject to Section 10.5 hereof, the Tenant will indemnify the Landlord and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property and reasonable legal fees, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provisions of this Lease, except to the extent that any such liabilities, claims or expenses are caused by, arise by reason of or in connection with the negligence or intentional act of the Landlord or those for whom the Landlord is in law responsible. This indemnity shall survive the termination or expiry of this Lease.
- (b) The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all reasonable costs of remediation) arising in any manner whatsoever out of any breach by the Tenant or any party for whom the Tenant is responsible at law of any Environmental Law, except to the extent that such things are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. This indemnity shall survive the termination or expiry of this Lease.

## 10.7 Indemnities of Tenant by Landlord

- (a) Subject to Section 10.4 hereof, the Landlord will indemnify the Tenant and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses, including reasonable legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing, to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to: (a) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (b) arising from the breach by the Landlord of any provisions of this Lease. This indemnity shall survive the termination or expiry of this Lease.
- (b) Notwithstanding anything in this Lease to the contrary, the Tenant shall have no obligations with respect to Hazardous Substances located on, in, above or under the Premises prior to the commencement of this Lease, and the Landlord agrees to indemnify and save harmless the Tenant from and against any claims or demands pursuant to any Environmental Laws, or third party claims, with respect to said pre-existing Hazardous Substances. This indemnity shall survive the termination or expiry of this Lease.

## ARTICLE 11 -ASSIGNMENTS AND SUBLEASES BY TENANT AND TRANSFERS BY LANDLORD

### 11.1 Assignments, Subleases, Transfers

- (a) In this Lease, "**Transfer**" means:

- (i) an assignment, sale, termination, conveyance, sublease, or other disposition of this Lease or the Premises, or any part of them or any interest in this Lease (whether by operation of law or otherwise), or in a partnership that is a Tenant under this Lease;
  - (ii) a mortgage, charge or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Tenant under this Lease;
  - (iii) a sharing of possession of all or part of the Premises;
  - (iv) a Transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "affiliate" (which for the purposes of this Article 11 means "affiliate" as that term is defined on the date of this Lease under the *Canada Business Corporations Act*) of the Tenant which results in a change in the effective voting control of the Tenant; or
  - (v) a merger, amalgamation or other corporate reorganization of the Tenant. "Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in this subsection, the Transferor is the person that has effective voting control before the Transfer and the Transferee is the person that has effective voting control after the Transfer).
- (b) The Tenant shall not assign, sublet or otherwise Transfer this Lease, either directly or indirectly, without the express written consent of the Landlord which consent may not be unreasonably withheld. In the event the Landlord gives its consent to an assignment or sub-tenancy, the Tenant shall, notwithstanding the Landlord's consent, remain liable to the Landlord for all of the Tenant's covenants and obligations contained in this Lease. It is further understood and agreed that in the event the Landlord consents to an assignment or sub-tenancy, the Landlord may, in its sole and absolute discretion, refuse to consent to any further assignment or sub-letting of the Premises during the Term or any extended Term of the Lease.
- (c) Without limitation, it shall constitute reasonable grounds for any withholding of consent by the Landlord that, in the Landlord's reasonable judgment:
- (i) the proposed Transferee does not have a satisfactory financial condition having regard to the obligations which it will assume as Transferee;
  - (ii) it is intended or likely that it will use any part of the Premises for any purpose which is not permitted by this Lease or which is not acceptable to the Landlord, acting reasonably;
  - (iii) where the return to the Tenant on any proposed Transfer is greater than the amounts payable by the Tenant hereunder and the Tenant has not agreed to pay an amount equal to fifty (50%) percent of such excess to the Landlord; or
  - (iv) if, at the time of requesting a Transfer, the Tenant is in Default hereunder.
- (d) Without limitation, the Tenant shall for the purposes of this Lease be considered to have effected or permitted a Transfer in any case where it permits the Premises or any portion thereof to be occupied by a person or persons other than the Tenant, its employees and others engaged in carrying on the

business of the Tenant, whether pursuant to assignment, subletting, license or other right, and shall also include any case where any of the foregoing occurs by operation of law.

- (e) The Landlord shall have the right of approval, acting reasonably, of any marketing of space by the Tenant.
- (f) If the Landlord's consent is given, the Tenant shall complete the Transfer, but only upon the terms set out in the offer submitted to the Landlord pursuant to Section 11.2 and not otherwise. Such Transfer shall occur within one hundred and twenty (120) days after the Tenant's request for consent and only upon any Transferee entering into an agreement directly with the Landlord, and in a form satisfactory to the Landlord, acting reasonably, to perform, observe and keep each and every covenant proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent.
- (g) Notwithstanding the foregoing, the Tenant shall have the right to assign or sublet to a corporation affiliated (as that term is defined in the *Business Corporations Act* (Alberta) with the Tenant without the consent of the Landlord, provided that the Tenant has first given notice to the Landlord and further provided that the Tenant and its affiliate have first entered into an agreement directly with the Landlord, in a form satisfactory to the Landlord, acting reasonably, whereby the affiliate agrees to perform, observe and keep each and every covenant, proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent and whereby the Tenant and the affiliate agree to remain affiliated to one another, a breach of which agreement would constitute a breach of this Lease.
- (h) All reasonable legal fees of the Landlord incurred with the preparation of the documentation by the Landlord in respect to any Transfer (as defined in Subsection 11.1 (a) herein) by the Tenant shall be paid by the Tenant forthwith upon demand, prior to the Landlord initiating any requested Transfer process, up to a maximum amount of One Thousand (\$1,000.00) Dollars plus G.S.T.

## 11.2 Landlord's Consent

- (a) The Tenant shall not effect or permit a Transfer unless:
  - (i) it shall have received or procured a bona fide written offer therefor to take a Transfer which is not inconsistent with, and the acceptance of which would not breach, any provisions of this Lease if this Article is complied with and which the Tenant has determined to accept subject to this Article being complied with; and
  - (ii) it shall have requested and obtained the consent in writing of the Landlord thereto.
- (b) Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord information reasonably requested by the Landlord, as to the responsibility, reputation, financial standing and business of the proposed Transferee. Within ten (10) days after the receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within ten (10) days after receipt of such request for consent), the Landlord shall provide, decline to provide or otherwise withhold its consent. In the event that the Landlord declines to provide its consent, subject to (c) below the Landlord shall have the right upon notice to the Tenant, if the proposed Transfer affects the whole of the Premises, to terminate this Lease or, if the proposed Transfer affects a part of the Premises only, to delete from the Lease such part of the Premises as is affected by the proposed

Transfer, in each case as of the date of the proposed Transfer. In such event, the Tenant shall surrender the whole or part, as the case may be, of the Premises in accordance with such notice and Rent shall be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, Rent shall thereafter abate proportionately. If the Landlord shall not exercise the foregoing right, then the provisions of Section 11.1 shall apply.

- (c) If the Landlord elects to terminate or delete in accordance with (b) above, as the case may be, the Tenant may withdraw its request for consent by notice to the Landlord within ten (10) days after the Landlord's notice of such election, in which event the Landlord's notice of election shall be null and void and the Tenant shall not proceed with the Transfer for which such consent was requested.

### **11.3 No Advertising of the Premises**

The Tenant shall not print, publish, post, mail, display, broadcast or otherwise advertise or offer the whole or any part of the Premises for the purposes of a Transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which may be unreasonably withheld. In any event such notices or advertisement shall not be located in or on the Building, shall not be on a sign larger than four (4) feet square in size and shall not contain any reference to the Rent payable in respect of the Premises. Such notices or advertisement shall be situated at a location and in a form pre-approved by the Landlord, in its sole discretion.

### **11.4 Dealings by Landlord**

Subject to the Tenant's Right of First Refusal pursuant to Section 17.19 hereof, the Landlord may sell, transfer, charge, encumber or otherwise deal with the Premises or any portion thereof or any interest of the Landlord therein, in every case without the consent of the Tenant and without restriction. To the extent that any purchaser or transferee from the Landlord has become bound by the covenants and obligations of the Landlord under this Lease, the Landlord shall, without further written agreement, be freed and relieved of liability with respect to such covenant and obligations.

## **ARTICLE 12 – ESTOPPEL CERTIFICATES, CAVEATS, ENCUMBRANCES, LIENS & INTERESTS REGISTERED ON TITLE**

### **12.1 Estoppel Certificates**

Each of the Landlord and the Tenant agrees that it will, at any time and from time to time, upon the reasonable request of the Landlord or the Tenant, as applicable, and upon not less than twenty (20) days' notice, execute and deliver to the other (and, if required, to any prospective purchaser or mortgagee or encumbrancer of the Premises) a certificate in writing as to the status at that time of this Lease, including as to whether this Lease is unmodified and in full force and effect (or, if modified, stating the modification and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the date on which the same, by installments or otherwise, and other charges hereunder, have been paid, whether or not there is any existing Default on the part of the other of which it has notice, and any other matters pertaining to this Lease as to which the other shall reasonably request a statement.

### **12.2 Caveats, Encumbrances, Liens & Interests Registered on Title**

- (a) The Tenant shall be entitled to file a caveat giving notice of this Lease, however, **THE TENANT SHALL DELIVER THE CAVEAT OR NOTICE TO THE LANDLORD FOR PRIOR**

**APPROVAL, NOT TO BE UNREASONABLY WITHHELD. UNDER NO CIRCUMSTANCES SHALL ANY FORM BE REGISTERED THAT CONTAINS FINANCIAL INFORMATION.**

- (b) The Tenant agrees that it will, at its sole expense, commence to discharge and withdraw from title any such registration within thirty (30) days following the expiration or sooner termination of the Lease. If such registration is not discharged and withdrawn during the aforesaid time, the Landlord shall have the right and is hereby appointed by the Tenant as its Agent and attorney to prepare, execute and register on behalf of the Tenant such documentation as is required to discharge and withdraw any such registration, and all costs shall be borne solely by the Tenant. The Landlord, at its sole discretion, may seek reimbursement directly from the Tenant-

**12.3 Subordination and Attornment**

Unless otherwise agreed by the Landlord, this Lease and all of the rights of the Tenant hereunder shall be subordinate to any encumbrances and any and all mortgages by the Landlord's mortgagees from time to time registered against the title to the Premises. Upon the reasonable request being made by the Landlord, the Tenant shall postpone its rights under the Lease to any and all such mortgages or encumbrances and shall do so in such form or forms as the Landlord may require. The Tenant acknowledges and agrees that it will take no steps to obstruct the Landlord's rights under this clause and also acknowledges and agrees that its refusal to execute such a postponement when requested to do so could cause the Landlord substantial financial damages which the Landlord shall be entitled to claim back against the Tenant for its refusal to comply with the provisions of this section of the Lease.

**ARTICLE 13 -UNAVOIDABLE DELAYS**

**13.1 Unavoidable Delays**

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted in the fulfillment of any obligation hereunder in respect of the supply or provision of any service or utility the making of any repair, the doing of any work or any other thing (other than the payment of moneys required to be paid by the Tenant to the Landlord hereunder) by reason of:

- (a) strikes or work stoppages;
- (b) being unable to obtain any material, service, utility or labor required to fulfill such obligation;
- (c) any statute, law or regulation of, or inability to obtain any permission from any government authority having lawful jurisdiction preventing, delaying or restricting such fulfillment in relation to a government response or health directive related to an epidemic or other public emergency; or
- (d) other unavoidable occurrence,

the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned; provided that nevertheless the Landlord will use its best efforts to maintain services essential to the use and enjoyment of the Premises and provided further that if the Landlord shall be prevented, delayed or restricted in the fulfillment of any such obligation hereunder by reason of any of the circumstances set out in Subsection 13.1(c) hereof and to fulfill such obligation could not, in the reasonable opinion of the Landlord, be completed without substantial additions

to or renovations of the Premises, the Landlord may on sixty (60) days' written notice to the Tenant terminate this Lease and the Tenant shall not be entitled to any compensation whatsoever or abatement of Rent.

## **ARTICLE 14 -LANDLORD'S ACCESS TO PREMISES**

### **14.1 Inspection and Repair**

The Landlord and its authorized Agents and employees shall have the right, at any time and from time to time, upon not less than twenty-four (24) hours prior notice to the Tenant, to enter the Premises for the purpose of inspection, providing maintenance, making repairs, alterations or improvements to the Premises or to have access to utilities and services as may be required pursuant to the terms of this Lease, and the Tenant shall provide reasonable access for such purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, except to the extent as a result of the willful misconduct or negligence of the Landlord or those for whom it is at law responsible. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

### **14.2 Right to Exhibit Premises**

Where the Tenant has sent notice to the Landlord of its intention not to exercise its Renewal Option, or has failed to provide the Landlord with its Renewal Notice within the appropriate period, the Landlord and its authorized Agents and employees shall have the right-, upon forty-eight (48) hours prior notice to the Tenant, to exhibit the Premises to prospective tenants at all reasonable hours during the last three (3) months of the Term. The Landlord and its authorized Agents and employees shall also have the right, upon not less than twenty-four hours prior notice to the Tenant, to enter upon the Premises at reasonable hours during the Term for the purpose of exhibiting the Premises to any prospective purchaser or mortgagee thereof. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

## **ARTICLE 15 -DEFAULT**

### **15.1 Events of Default**

Each of the following shall be an event of Default of the Tenant:

- (a) whenever the Tenant defaults in the payment of any Rent and such Default continues for five (5) business days after written notice thereof to the Tenant; or
- (b) other than with the prior consent of the Landlord, if the Tenant permits the Premises to be used for a purpose other than that described in Section 7.2 hereof; or
- (c) whenever the Tenant defaults in the performance of any of its other obligations hereunder and such Default can be remedied by the Tenant but is not remedied within a period next after written notice thereof is provided by the Landlord and which period shall be:
  - (i) if the Default could reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure within ten (10) business days after notice and proceeds thereafter diligently and continuously to remedy it within thirty (30) business days;

- (ii) if the Default could not reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure not later than ten (10) business days after notice and proceeds thereafter diligently and continuously to remedy it, that number of days after notice which would reasonably suffice for the remedying of such Default if the Tenant had commenced to remedy such Default within ten (10) business days after notice and proceeded thereafter diligently and continuously to remedy it; and
  - (iii) in any case where the Tenant does not commence to remedy such Default within ten (10) business days after notice;
- (b) if the Tenant is adjudicated to be insolvent or makes an assignment for the benefit of creditors or in bankruptcy, or is declared bankrupt, or takes the benefit of any legislation that may be in force for bankrupt or insolvent debtors or if any proceedings are taken by or against the Tenant under any winding-up legislation, and such adjudication, assignment declaration or proceedings are not set aside or revoked within sixty (60) business days after the making or taking of the same, or if the Tenant makes any bulk sale of its assets, except to a successor in conjunction with a permitted assignment of this Lease;
  - (c) if a writ of execution is issued against the Tenant, or if the Term hereby granted or any of the goods, chattels or equipment of the Tenant is taken in execution or attachment, or be seized by any creditor of the Tenant, whether secured or otherwise; or
  - (d) if the Premises or a substantial part thereof are abandoned or become vacant or not used or occupied while capable of use and occupancy, and remain so for a period of twenty (20) business days (which does not include temporary vacancy or non-use for a longer period when necessary to accommodate the carrying out of renovations in the Premises or a change in use of the Premises or required vacancy pursuant to Section 13.1 hereof), or if the Premises is used by any other person or persons other than the Tenant or for any other purpose than that for which the same were let, in each case without the prior written consent of the Landlord.

## 15.2 Remedies by Landlord

Upon any event of Default of the Tenant, in addition to any remedy that the Landlord may have by this Lease or at law or in equity, the Landlord may, at its option:

- (a) provide, by notice to the Tenant that the current month's Rent and Rent for the next ensuing three (3) months shall thereupon become immediately due and payable;
- (b) terminate this Lease and re-enter and take possession of the Premises;
- (c) enter the Premises as agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and without being deemed to have terminated this Lease, and relet the Premises or any part thereof as the agent of the Tenant and receive the rent therefor to be applied on account of the Rent;
- (d) exercise its right of distress and the Tenant hereby waives any present or future limitation on the Landlord's right of distress; and/or
- (e) suspend the supply to the Premises of any Additional Service furnished by the Landlord until the Default is cured.

### **15.3 Additional Self-help Remedy of Landlord**

In addition to all other remedies the Landlord may have by this Lease, at law or in equity, if the Tenant does not perform any of its obligations hereunder, the Landlord may, at its option, perform any such obligations, after five (5) business days notice-, or as may otherwise be provided for in this Lease, to the Tenant, or, in the event of an emergency without notice, and in such event the cost of performing any such obligations plus an administrative charge of fifteen (15%) percent of such cost shall be payable by the Tenant to the Landlord forthwith upon demand together with interest at the Rate of Interest from the date of the performance of any of such obligations by the Landlord to the date of payment by the Tenant.

### **15.4 Legal Costs**

The Tenant hereby agrees to pay to the Landlord, within ten (10) days after demand, all reasonable legal fees and disbursements incurred by the Landlord for the enforcement of any rights of the Landlord under this Lease or in the enforcement of any of the provisions of this Lease or in the obtaining of possession of the Premises or for the collection of any monies from the Tenant in accordance with the terms of the Lease.

### **15.5 Remedies Cumulative**

Any condoning, excusing or overlooking by either the Landlord or the Tenant of any Default by the other at any time or times in respect of any obligation of the other herein shall not operate as a waiver of the non-Defaulting party's rights hereunder in respect of such Default or so as to defeat or affect in any way the rights of the non-Defaulting party in respect of any such continuing or subsequent Default by the Defaulting party. No waiver shall be implied by anything done or omitted by a party. Any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

### **15.6 Non-Waiver**

The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any Default hereunder by the Tenant, either by any provision of this Lease, or by statute, or at law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord at law or in equity.

## **ARTICLE 16 -DISPUTE RESOLUTION**

### **16.1 Dispute Resolution**

- (a) Any dispute arising out of or pursuant to this Lease shall be settled through negotiations in the following sequence:
  - (i) non-binding mediation; and
  - (ii) binding arbitration.
- (b) Either party may, within fifteen (15) days, take the dispute to the next step if the parties fail to agree on the appointment or procedure referred to in this clause.



- (c) When mediation is selected by the parties, they shall jointly appoint one impartial mediator to undertake the process according to mutually agreed upon procedures.
- (d) If the parties decide to submit a dispute to arbitration, it shall be pursuant to the *Arbitration Act* (Alberta). The parties shall attempt to appoint jointly one impartial arbitrator. If the parties cannot agree within thirty (30) days on the choice of an arbitrator, each party shall appoint, at its own cost, one impartial arbitrator and those two arbitrators shall appoint a third arbitrator, who shall act as chairperson of the arbitral tribunal. The parties agree that the decision of the arbitrator(s) so appointed shall be final and binding upon the parties, who further covenant with each other that upon such decision being given such decision shall be final.
- (e) When one of the preceding steps is selected to resolve a dispute, the parties shall jointly enter into a contract with the required mediator, arbitrator or arbitrators, as the case may be, to pay the costs for the desired services and to bear their own costs of participating in the process involved.
- (f) If proper notice of intention to request a court of competent jurisdiction to resolve the dispute is received by either party, any arbitration proceedings shall be immediately terminated and any cost incurred to date of termination shall be in accordance with Section (e) above.

## **ARTICLE 17 -GENERAL PROVISIONS**

### **17.1 Entire Agreement; Measurement Survey**

This Lease contains all of the terms and conditions of the agreement between the Landlord and the Tenant relating to the matters herein provided and supersedes all previous agreements or representations of any kind, written or verbal, made by anyone in reference thereto. There shall be no amendment hereto unless in writing and signed by the party to be bound. Notwithstanding the foregoing, if, following the execution of this Lease, the Landlord obtains a survey by a certified measuring professional which determines the actual Gross Rentable Area of the Premises, it shall be attached hereto as Schedule "A" and form part of this Lease. If the Gross Rentable Area of the Premises shown in this same survey is different than the Gross Rentable Area described in Schedule "A", then it shall take precedence and thereafter become the Gross Rentable Area used to calculate Basic Rent.

### **17.2 Schedules**

All Schedules attached hereto are hereby incorporated and form part of this Lease. Capitalized terms used in the Schedules hereto but not otherwise defined therein shall have the meanings assigned to them in this Lease.

### **17.3 Municipal Government Act**

This Lease is subject to compliance, if necessary, with the *Municipal Government Act* (Alberta).

### **17.4 Survival of Obligations**

Any obligation of a party which is unfulfilled on the termination of this Lease shall survive until fulfilled.

### **17.5 Severability of Illegal Provision**

If any provision of this Lease is or becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though the said provision had never been included.

#### **17.6 Governing Law**

This Lease shall be governed by the laws applicable in the Province of Alberta.

#### **17.7 No Partnership**

Nothing contained herein shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

#### **17.8 Number, Gender, Joint and Several Liability**

The word "Tenant", the word "assignee" and the word "sublessee" and personal pronouns relating thereto and used in conjunction therewith shall be read and construed as "Tenant" or "Tenants", "assignee" or "assignees" and "sublessee" or "sublessees" respectively and "his", "her", "it", "its" and "their" as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be considered as agreeing with the said word or pronoun so substituted. If at any time there is more than one Tenant together or in succession, they shall be jointly and severally liable for all of the obligations of the Tenant hereunder.

#### **17.9 Captions**

The captions for Articles or sections of this Lease are for convenience only and are not to be considered a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

#### **17.10 Time of Essence**

Time shall be of the essence of this Lease.

#### **17.11 Landlord's Agent**

The Landlord may perform any of its obligations or exercise any of its rights hereunder through such agency as it may from time to time determine and the Tenant shall, as from time to time directed by the Landlord, pay to any such Agent any moneys payable hereunder to the Landlord.

#### **17.12 Successors and Assigns**

The word "**Landlord**" wherever it occurs herein, shall mean and extend to and include the Landlord, its successors and assigns and the word "**Tenant**" shall mean and extend to and include the Tenant, its successors and assigns. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective heirs, executors, administrators, successors and permitted assigns of the said parties. No rights shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with the provisions of this Lease.

#### **17.13 Accounting Principles**

All calculations referred to herein shall be made in accordance with generally accepted accounting principles and practices applicable to the real estate development industry and applied on a consistent basis.

#### 17.14 Notices and Consents

Any notice or consent (including any invoice, statement, request or other communication) herein required or permitted to be given by either party to the other shall be in writing and shall be delivered by hand, facsimile, electronic mail or sent by Canada Post registered mail (postage prepaid) to the applicable communication address or addresses set forth below:

(a) in the case of the Landlord, to:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB ,T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

(b) in the case of the Tenant, to:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8  
Attention: Shane Daerden  
Email: shane@collisionkings.ca

Any notice delivered, or legibly received by hand, via email or transmitted by facsimile machine, shall be deemed to have been validly and effectively given on the day of such delivery. A printed "read receipt" shall be proof that an email notice has been effectively sent on the date and time shown on such receipt. Any notice delivered or legibly received by courier or by Canada Post registered mail shall be deemed to have been validly and effectively given on the second Business Day following the date it was sent.

Either party may from time to time by written notice to the other change its address for service hereunder.

#### 17.15 Further Assurances

Each party agrees to make such further assurances as may be reasonably required from time to time by the other to more fully implement the true intent of this Lease.

#### 17.16 Confidentiality

The Tenant agrees to use its best efforts to keep confidential, and to use its best efforts to ensure that those for whom at law it is responsible, and its advisors keep confidential the provisions of this Lease.

#### 17.19 Right of First Refusal

The Tenant shall have the right of first refusal for any bona fide offers the Landlord may receive for the Premises as set forth in Schedule "B" attached hereto.

**17.20 Counterparts**

This Lease may be signed by the parties in counterpart and delivered to the other electronically.

**<THE SIGNATURE PAGE FOLLOWS>**

IN WITNESS WHEREOF the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**

(Landlord)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ c/s

(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**

(Tenant)

PER:  \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(I have authority to bind the Corporation)

**IN WITNESS WHEREOF** the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**

(Landlord)

PER: *Chris Stathonikos*

Name: CHRIS STATHONIKOS

Title: PRESIDENT c/s  
(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**

(Tenant)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(I have authority to bind the Corporation)

SCHEDULE "A"  
GROSS RENTABLE AREA

**SCHEDULE "B"**  
**RIGHT OF FIRST REFUSAL AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2020.

BETWEEN:

**CMD PROPERTIES INC.**  
(the "Grantor")

- and -

**CMD HOLDINGS INC.**  
(the "Grantee")

**RECITALS:**

A. The Grantor is the registered owner of an estate in fee simple of those certain lands situate in Calgary, in the Province of Alberta, legally described as follows:

Plan 1710547,  
Block 1  
Lot 17  
Excepting Thereout All Mines and Minerals

(the "Lands");

B. There is currently situated on the Lands, a building owned by the Landlord (the "Building");

C. The Grantor has agreed to grant the Grantee a right of first refusal with respect to the Lands and the Building (collectively called, the "Property") on the terms and conditions set out in this Agreement.

**NOW THEREFORE**, in consideration of the entering into of the Lease dated \_\_\_\_\_, 2020 (the "Lease") between the Grantor and the Grantee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby grants to the Grantee an irrevocable right of first refusal to acquire the Property, or interest therein, on the terms and conditions set out in this Agreement.

1. Should the Landlord, at any time during the Term or any Renewal Term, receive a bona fide offer from a third party or third parties with whom the Landlord is dealing at arm's length (a "Third Party Offer"), to purchase the Property, and the Landlord is prepared to accept the Offer, the Landlord shall immediately notify the Tenant in writing of the Third Party Offer (the "Offer Notice") and provide the Tenant with a true copy thereof. The Tenant shall have the right for a period of thirty (30) days from the date of receipt of the Offer Notice, excluding the day of such receipt (the "Exercise Period") to notify the Landlord in writing that they desire to purchase the Property upon the same terms and conditions as contained in the Third Party Offer. Should the Tenant so notify the Landlord, the Tenant shall be deemed to have agreed to purchase the Property from the Landlord and the Landlord shall be deemed to have agreed to sell the Property upon the terms and conditions contained in the Third Party



Offer and such other terms and conditions as are made applicable thereto pursuant to the provisions of this Schedule "B".

2. Should the Tenant fail to notify the Landlord during the Exercise Period of its desire to purchase the Property upon the terms and conditions contained in the Third Party Offer, the Landlord shall be at liberty to complete the sale of the Property to the party or parties who made the Third Party Offer, **PROVIDED THAT**, such sale shall not be completed on terms and conditions which are more favourable to the purchaser than those contained in the Third Party Offer and **PROVIDED FURTHER THAT** should such sale not be completed within three hundred sixty-five (365) days from the date of such expiry, the Landlord's right to complete such sale shall terminate. In such event, the provisions of this Section 2, including this sentence, shall continue to apply mutatis mutandis to any subsequent offer to purchase the Property received by the Landlord from a party or parties with whom the Landlord is dealing at arm's length.
3. The Landlord shall not:
  - (a) accept any offer for the purchase of the Property which requires any form of consideration other than cash in Canadian currency to be paid to the Landlord;
  - (b) accept any offer to purchase the Property from a party or parties with whom the Landlord is not dealing at arm's length;
  - (c) accept any offer to purchase of the Property which is not a bona fide offer; or
  - (d) accept any offer to purchase less than the entirety of the Property.
4. For the purposes hereof, a party or parties shall be deemed not to be dealing with the Landlord at arm's length if such party or parties or any of them is an associate of the Landlord, either directly or indirectly, for the purpose of defeating the intent of this Schedule "B".
5. Should the Tenant agree to purchase the Premises pursuant to the provisions of this Schedule "B" hereof, then the parties hereto shall enter into an agreement of purchase and sale in accordance with the Third Party Offer, which agreement for sale shall set forth the terms of purchase and sale of the Property including purchase price, repayment and calling for a closing, adjustment and possession date of not less than thirty (30) days from the date of acceptance by the Tenant of the Third Party Offer.
6. For absolute certainty, the Grantor shall not permit a disposition (including the conveyance, sale, transfer, assignment, lease or any other disposition whatsoever, either directly or indirectly, of all or any portion of the Grantor's interest in the Property, of its legal or beneficial interest, or both) of the Property to occur until it has first offered the Grantee the right to acquire the interest in the Property on identical terms to a Third Party Offer in accordance with the terms hereof.
7. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
8. Any notice, correspondence or communication (each and collectively, a "**Notice**") required to be given shall be sufficiently given if delivered in person addressed to the parties as follows:

To the Grantor:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB ,T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

with a copy (which shall not constitute notice) to:

McLeod Law LLP  
300, 14505 Bannister Road SE  
Calgary, AB, T2X 3J3

Attention: Neil Hutton / Jeff Larson  
Email: nhutton@mcleod-law.com and jlarson@mcleod-law.com

To the Grantee:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8

Attention: Shane Daerden  
Email: shane@collisionkings.ca

with a copy (which shall not constitute notice) to:

MLT Aikins LLP  
360 Main Street – 30<sup>th</sup> Floor  
Winnipeg, Manitoba  
R3C 4G1

Attention: Steven J. Kohn / Melissa I. Cattini  
Email: skohn@mltaikins.com and mcattini@mltaikins.com

Or to such other address as the Grantor or the Grantee may designate in writing from time to time. Any Notice delivered shall be deemed to have been received on the date of delivery. The parties may at any time hereafter change their address for the giving of any Notice in the manner provided pursuant to this Section 8.

9. This Agreement shall enure to the benefit of and be binding upon the Grantor hereto and its successors and assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands. Provided, however, the covenants contained in this Agreement are personal to the Grantee and cannot be assigned to a third party without the consent of the Landlord, which consent may be withheld for any reason.
10. The Tenant and the Landlord agree that each shall, with reasonable diligence, proceed to take all action and to do all things and to provide all reasonable assurances as may be required to consummate any

sale and purchase agreed to hereunder and each party hereto agrees to execute all such documents and assurances as may be necessary to effect or carry out the terms of this agreement and the provisions of the agreement for purchase and sale, whether prior to or after acceptance.

**THIS IS EXHIBIT "58" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**LEASE**

**CMD HOLDINGS INC.  
TENANT**

**CMD PROPERTIES INC.  
LANDLORD**

**Premises located at:  
1803 - 11<sup>th</sup> Street S.E  
(Building)  
And  
1048 - 19<sup>th</sup> Avenue S.E  
(Lot)  
Calgary, Alberta**

THIS LEASE made as of the 25 day of September 2020

B E T W E E N:

**CMD PROPERTIES INC.**

(the "Landlord")

and

**CMD HOLDINGS INC.**

(the "Tenant")

In consideration of the Premises and the mutual covenants, agreements and conditions herein contained, it is hereby covenanted, agreed and declared between the parties as follows:

#### ARTICLE 1 – DEFINITIONS

##### 1. Definitions

- 1.1 The terms defined herein shall have, for all purposes of this Lease and all instruments supplemental hereto, the following meanings, unless the context expressly or by necessary implication otherwise requires:
- 1.2 “**Additional Rent**” means all sums of money, other than Basic Rent, which are required to be paid by the Tenant pursuant to any provision of this Lease, and which is deemed to be accruing on a day-to-day basis.
- 1.3 “**Additional Service**” means any service identified as such in this Lease or which is requested by the Tenant in addition to those supplied by the Landlord and which the Landlord is prepared to supply at an additional cost to the Tenant.
- 1.4 “**Additional Service Cost**” means the additional amount identified as such in this Lease or payable by the Tenant to the Landlord for any Additional Service.
- 1.5 “**Basic Rent**” means the rent payable by the Tenant pursuant to Section 4.1.
- 1.6 “**Building**” means the Building or Buildings and all other fixed improvements situate at any time on the Premises, all of which bear the municipal address of **1803 - 11<sup>th</sup> Street S.E., Calgary, Alberta**.
- 1.7 “**Business Hours**” means the period from 8:00 a.m. to 4:30 p.m. or such other reasonable hours as the Landlord may from time to time specify by regulation on any Business Day and "Business Day" means any day which is not a Saturday or a Sunday or a statutory holiday in the Province of Alberta.

- 1.8 **“Capital Tax”** means any tax or taxes payable under any existing or proposed federal legislation based upon or computed by reference to the paid-up capital or place of business of the Landlord as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any municipal, legislative or parliamentary authority.
- 1.9 **“Default”** means failure to meet an obligation in the Lease, including, but not limited to a financial one.
- 1.10 **“Insured Damage”** means that part of any damage occurring to the Premises, of which the entire cost of repair (except as to any deductible amount provided for in the applicable policy or policies of insurance) is actually recovered by the Landlord under a policy or policies of insurance from time to time effected by the Landlord pursuant hereto or for which the Landlord is self-insured.
- 1.11 **“Landlord’s Taxes”** means the aggregate of: Taxes and Other Taxes.
- 1.12 **“Lands”** means, for the Building,, the land municipally described as 1803 - 11<sup>th</sup> Street S.E., Calgary, Alberta, and legally described as Plan 4040N, Block 4, Lots 23 an 24, Excepting Thereout All Mines and Minerals.
- 1.13 **“Lease”** means this Lease and any amendments, modifications or additions in writing hereto, and includes any schedules, appendices, riders and other documents, if any, attached hereto, or otherwise intended to form part of this Lease.
- 1.14 **“Leasehold Improvements”** means Work or improvements in, on, to, for or which serve the Premises, determined according to common law, and includes, without limitation, all fixtures (excluding Tenant’s Trade Fixtures), equipment and alterations from time to time made, constructed, erected, or installed by, for or on behalf of Tenant following the commencement of this Lease, whether or not easily disconnected or movable, including, without limitation, all: (a) partitions (excluding portable partitions), railings, doors and safes and vaults permanently affixed to the Premises; and hardware; (b) mechanical, plumbing, electrical, sprinkler, fire detection, safety, utility, computer, communication, telecommunication, satellite, heating, humidity, ventilating and air conditioning systems, facilities, installations, fixtures, devices, controls, pipes, wires, conduits, tanks, machinery, fittings and equipment; (c) carpeting, drapes and other floor, wall, ceiling and window coverings and drapery hardware; (d) light fixtures; (e) storefronts; (f) grill and other security or locking devices securing all or any part of the Premises; (g) counters, cabinets, shelves and built-in furniture and furnishings; (h) internal stairways, elevators and any other transportation equipment or systems; (i) ceilings and ceiling panels; (j) ceiling heaters (suspended or otherwise), and air-conditioning units, and all controls, fittings and equipment; (k) coolers, freezers, lockers, refrigerators, stoves, washing machines (including dishwashers), drying machines, kitchen and other types of equipment, appliances and ovens (including microwave ovens); (l) signs, exterior sign boxes, bands and the like; (m) any items that would not normally be considered to be Tenant’s Trade Fixtures; (n) satellite receivers, transmitters, antennas and base mounts; and (o) all items which cannot be removed without damage to the Premises, but which are not Tenant’s Trade Fixtures.
- 1.15 **“Lot”** means the bare lands munciplaly described as 1048 - 19<sup>th</sup> Avenue S.E., Calgary, Alberta and legally described as Plan 4040N, Block 4. Lots 25 and 26, Excepting Thereout All Mines and Minerals.
- 1.16 **“Operating Costs”** means the aggregate of all of the Landlord’s expenses, costs and charges, whatsoever, incurred in respect of the operation, maintenance and repair of the Premises by or on behalf of the Landlord, provided that Operating Costs shall not include: (a) debt service, including without limitation, refinancing costs, interest on debt or capital retirement of debt; (b) costs for which the Landlord is reimbursed by the

proceeds of insurance; (c) costs recovered by the Landlord under a warranty; (d) income taxes in respect of income received from leasing the Premises; (e) capital cost allowance and depreciation; (f) costs for which the Landlord is responsible under this Lease; and (g) costs incurred as a result of the negligence or willful acts of the Landlord or of those for whom the Landlord is at law responsible and including, without limitation, costs incurred as a result of the breach by the Landlord of the terms of this Lease.

1.17 **“Other Taxes”** means all taxes, rates, duties, levies, fees, Charges and assessments whatsoever, including without limitation, local improvements, water, sewer rates, impost Charges or levies whether extraordinary, general or special, ordinary or extraordinary, foreseen or unforeseen, imposed, assessed, levied or Charged now or in the future by any municipal, regional, provincial, federal, parliamentary or other government body, corporate authority, agency or commission against the Premises and/or the Landlord in connection therewith but excluding (unless specifically referred to above):

- such of the foregoing amounts as have been included in Taxes;
- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of any business carried on by the Tenant on the Premises; and
- Capital Tax.

1.18 **“Premises”** means the Building, Lands and Lot leased to the Tenant.

1.19 **“Rate of Interest”** means an interest rate of prime plus six (6%) percent per annum, payable both prior to and following judgment, as applicable.

1.20 **“Rent”** means Basic Rent and Additional Rent.

1.21 **“Rentable Area”**, **“Gross Rentable Area”** and **“Net Rentable Area”** of the Premises means the number of square feet of floor area determined by an architect, surveyor or other Building measuring professional based on the “Standard Methods for Measuring Floor Area in Industrial Buildings” (BOMA/SIOR 2004). A certificate as to area from the Landlord's measuring professional shall be conclusive and binding on the parties. For the purpose of this Lease, the Rentable Area for the Building is: **Three Thousand Four Hundred Fifty Five (3,455) Square Feet**, and for the Lot is **Five Thousand Seven Hundred Twenty Seven (5727) Square Feet**.

1.22 **“Rental Year”** means a period of time, the first Rental Year commencing on the first day of \_\_\_\_\_ 2020 and ending on the last day of the month of \_\_\_\_\_ immediately following. Each Rental Year thereafter shall consist of consecutive periods of twelve (12) calendar months, but the last Rental Year of the Term, whether or not it is twelve (12) calendar months, shall terminate on the expiration or earlier termination of this Lease. If however, the Landlord considers it necessary or convenient for the Landlord's purposes, the Landlord may at any time and from time to time by written notice to the Tenant, specify a date from which each subsequent Rental Year is to commence, and in such event the then current Rental Year shall terminate on the day immediately preceding the commencement of such new Rental Year, and the appropriate adjustments shall be made between the parties.



1.23 **“Sales Taxes”** means all business transfers, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada or any provincial or local government upon the Landlord, or the Tenant or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

1.24 **“Taxes”** means all taxes, rates, duties, levies, fees, Charges, sewer levies, local improvement rates, and assessments whatsoever, imposed, assessed, levied or charged now or in the future by any school, municipal regional, provincial, federal, parliamentary or other governmental body, corporate authority, agency or commission (including, without limitation, school boards and utility commissions), against the Premises and/or the Landlord in connection therewith, but excluding (unless specifically referred to above):

- income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
- business or similar taxes or license fees in respect of the business of the Landlord which pertains to the operation, maintenance and repair of the Premises; and
- business or similar taxes or license fees in respect of the business carried on by the Tenant on the Premises; and
- Capital Tax.

1.25 **“Tenant's Taxes”** means the aggregate of:

- all taxes imposed upon the Tenant which are attributable to the Premises, furnishings, fixtures and Leasehold Improvements installed in the Premises by or on behalf of the Tenant during the Term; and
- all taxes imposed upon the Tenant which are attributable to the business, income or occupancy of the Premises by Tenant.

1.26 **“Term”** means the term of this Lease as specified in section 3.3 herein.

1.27 **“Trade Fixtures”** means trade fixtures as determined at common law and includes the personal chattels installed at the commencement of the Term, or during the Term by or on behalf of Tenant, in, on, or which serve, the Premises, for the sole purpose of Tenant carrying on its trade in the Premises and, for greater certainty, expressly include all assets, fixed or otherwise (including paint booths) owned or acquired by the Tenant in connection with the transactions contemplated by the Purchase Agreement, and which Trade Fixtures the Tenant shall be permitted to remove only to the extent permitted by the terms of this Lease, but Trade Fixtures do not include Leasehold Improvements of the Tenant.

1.28 **“Work”** means making, erecting, altering or installing any Leasehold Improvements, alterations or installations on or to the Premises.

## **ARTICLE 2 -GENERAL**

### **2.1 Tenant's Covenants**

The Tenant covenants with the Landlord:

- (a) to pay Rent; and

- (b) to observe and perform all the covenants and obligations of the Tenant herein.

## 2.2 Landlord's Covenants

The Landlord covenants with the Tenant:

- (a) for quiet enjoyment; and
- (b) provided the Tenant pays the Rent and observes and performs all of its covenants and obligations herein, to observe and perform all the covenants and obligations of the Landlord herein.

## 2.3 Deemed Covenants

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

# ARTICLE 3-DEMISE AND TERM

## 3.1 Demise of Premises

The Landlord, being registered owner of the Lands, does hereby demise and lease unto the Tenant and the Tenant hereby lease from the Landlord, the Premises for the Term and subject to the provisions and covenants set forth in this Lease which the Landlord and the Tenant each agree with the other to observe and perform as the same may be applicable to each of them respectively.

## 3.2 Term

- (a) To have and to hold the Premises for and during the Term, unless sooner terminated pursuant to the provisions of this Lease, commencing on the \_\_\_\_ day of \_\_\_\_\_, 2020 and ending on the \_\_\_\_ day of \_\_\_\_\_, 2030.
- (b) Provided that the Tenant is not in default of this Lease at the time it provides the Renewal Notice (as defined in this Section to the Landlord, the Tenant shall have the option to renew the term of this Lease for Two (2) additional periods of Five (5) years each (each a "**Renewal Period**") upon the same terms and conditions as herein provided, except as to Basic Rent (the "**Renewal Option**"). The Minimum Annual (Basic) Rent for a Renewal Period shall be the then fair market rent for the Premises as agreed upon by the parties, failing which, the dispute resolution provisions of Section 16 shall apply. Such Renewal Option is to be exercised by the Tenant by giving written notice (the "**Renewal Notice**") to the Landlord not later than six (6) months prior to the expiration of the Term, otherwise this option is null and void.
- (c) The Tenant, in consideration of and subject to the terms of this Lease, is hereby granted the exclusive right, option and privilege of purchasing the Premises at any time for a period of Three (3) Years commencing on the second anniversary of the Closing Date (as therein defined) of the share purchase agreement (the "**Purchase Agreement**") among CMD Holdings Ltd., Christos Stathonikos Family Trust, David Stretz Family Trust, Matthew Stathonikos Family Trust, Domna Investments Inc., 1427916 Alberta Inc., 1427913 Alberta Inc. and 2270683 Alberta Ltd. (the "**Purchase Option**"). The Tenant shall notify the Landlord in writing of its intention to exercise the Purchase Option at least two (2) months prior to any intended purchase date.

- (d) The purchase price to be paid by the Tenant for the purchase of the Premises pursuant to this Lease and the Purchase Option shall be established through mutually acceptable appraisals from an independent qualified appraiser.
- (e) The Purchase Option granted herein shall extend to the original Tenant named herein or its nominee only and may not be assigned or transferred without the express consent of the Landlord in writing, which consent may be withheld for any reason whatsoever.

### 3.3 **Overholding**

The Tenant shall surrender possession of the Premises immediately upon the expiration or earlier termination of the Lease. If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord and without any further written agreement, or without the consent of the Landlord, there shall be no tacit renewal or extension of this Lease and, despite any statutory provision or legal presumption to the contrary, the Tenant shall be deemed conclusively to be occupying the Premises as a monthly tenant at will if the Landlord did consent to the Tenant remaining in possession, or as a tenant at will if the Landlord did not consent to the Tenant remaining in possession, in either case on the same terms as set forth in the Lease as far as such terms would be applicable to a monthly tenancy, and except for any right of renewal, at a monthly Basic Rent payable in advance and equal to one and a half (1.5) times the monthly Basic Rent payable immediately prior to the overholding plus additional rent equivalent to Additional Rent hereunder. The Tenant shall promptly indemnify and hold harmless the Landlord from and against any and all claims incurred by the Landlord as a result of the Tenant remaining in possession of all or any part of the Premises after the expiry of the Term. The Tenant shall not make any counterclaim in any summary or other proceeding based on such overholding by the Tenant. If, for whatever reason, a monthly tenancy at will is in effect, the Tenant shall provide a minimum of thirty (30) days written notice to the Landlord expressing its intent to terminate this Lease and vacate the Premises.

### 3.4 **Leasehold Improvements**

- (a) Subject to subsections (b) and (c), upon the expiration or other termination of this Lease, all Leasehold Improvements in the Premises, including all fixed partitions (including floor to ceiling partitions) which, although demountable, involve attachment to any floor, ceiling or permanent wall such that they cannot be removed without damage to the Premises, but expressly excluding the Tenants movable partitions such as free standing partitions or partial height partitions which can be removed without damage to the Premises and which shall be deemed to be removable Trade Fixtures, shall remain upon and be surrendered with the Premises as a part thereof without disturbance, molestation or injury and the same and any Trade Fixtures not removed by the Tenant are the Premises of the Landlord absolutely, free of any liens or encumbrances and without payment therefor to the Tenant.
- (b) The Landlord may, by notice to the Tenant prior to or promptly after the expiration or other termination of this Lease, reasonably require the removal forthwith, at the expense of the Tenant of any or all of the Tenant's Trade Fixtures and Leasehold Improvements and the repair forthwith of any damage to the Premises caused by such removal, such work to be done forthwith by or at the direction of the Landlord and at the expense of the Tenant.
- (c) Notwithstanding anything herein contained, provided the Tenant has paid the Rent hereby reserved and performed and observed all the covenants and conditions herein contained, the Tenant shall have, at the expiration or other termination of this Lease, the right to remove its Trade Fixtures, provided that the Tenant repairs by the expiration or other termination of this, at its own expense, any damage to the Premises caused by such removal.

## ARTICLE 4 -RENT

### 4.1 Basic Rent

During the Term of the Lease, the Tenant shall pay to the Landlord, without any prior demand therefore yearly and throughout the Term a fixed annual rent, exclusive of GST or any other like tax applicable, payable in Canadian Dollars, in equal monthly installments in advance without demand, on the first day of each month during the Term as follows:

a) For the Building:

<u>TERM</u>	<u>RATE (per sq. ft.)</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>
***, 2020 to ***, 2023	\$19.00	\$65,645.00	\$5,470.42
***, 2023 to ***, 2024	\$19.33	\$66,785.15	\$5,565.43
***, 2024 to ***, 2025	\$19.66	\$67,925.30	\$5,660.44
***, 2025 to ***, 2030	\$20.00	\$69,100.00	\$5,758.33

b) For the Lot:

<u>TERM</u>	<u>RATE (per sq. ft.)</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>
***, 2020 to ***, 2023	\$2.25	\$12,885.75	\$1,073.81
***, 2023 to ***, 2024	\$2.35	\$13,458.45	\$1,121.54
***, 2024 to ***, 2025	\$2.45	\$14,031.15	\$1,169.26
***, 2025 to ***, 2030	\$2.50	\$14,317.50	\$1,193.13

Payments for partial months will be prorated.

### 4.2 Additional Rent

The Tenant shall pay to the Landlord, during the Term, when due, as Additional Rent, to the extent actually provided by or on behalf of the Landlord to the Tenant or in respect of the Premises during the Term and without duplication, the following:

- (a) supplies and materials used in the operation, maintenance and security of the Premises;
- (b) amounts respecting all maintenance, landscaping and similar services for the Premises and the associated equipment therein or thereon, including, without limitation, alarm service, window cleaning and security;
- (c) amounts respecting all insurance required by this Lease to be carried by the Landlord relating to the Premises;
- (d) amounts respecting all utilities for the Premises, including the cost of water, power, heating, lighting, air-conditioning and ventilating and all other utilities for the Premises and including the cost and charges for water, sewer and other utility hook-up, connection and service and garbage and waste collection, removal or recycling;

- (e) reasonable fees, costs and disbursements of the Landlord's professional consultants incurred in connection with the obligations of the Landlord as required by the terms of this Lease;
- (f) depreciation of the cost of the following capital investment items, amortized over the reasonable life of the capital investment items (determined in accordance with generally accepted accounting principles and in no event to extend beyond the reasonable depreciable life of the Premises) incurred with respect to:
  - (A) any capital investment items which are primarily for the purpose of reducing operating costs for the Tenant or which may be required by governmental authority; in the case of any capital investment items for the purpose of reducing Operating Costs, the Landlord shall provide a cost benefit justification for its practicality; and
  - (B) all other fixtures, equipment and facilities servicing or comprising the Premises (including the heating, ventilating and air- conditioning and climate control system servicing the Premises) which by their nature require periodic or substantial repair or replacement, including the repair and replacement thereof, unless they are fully charged in the year in which they are incurred and are fully included in Operating Costs for that year; and
- (g) the following taxes which relate to the Premises:
  - (i) all Tenant's Taxes;
  - (ii) that portion of Taxes payable by the Tenant pursuant to Section 5.2;
- (h) Operating Costs pursuant to Section 6.1;
- (i) all Additional Service Costs or fees payable by the Tenant, if and to the extent applicable; and
- (j) all other amounts payable by the Tenant pursuant to this Lease.

#### 4.3 **Payment of Additional Rent**

- (a) The Additional Rent specified in above shall be paid and adjusted with reference to a fiscal period of twelve (12) calendar months, which shall be the twelve (12) month period ending on December 31<sup>st</sup> in each year during the Term unless the Landlord, by notice to the Tenant, shall from time to time have selected a fiscal period which ends on a different date (but which shall be a twelve (12) month period except where a shorter broken fiscal period occurs at the commencement or end of the Term or is necessary to accommodate a change in the fiscal period made during the Term). From time to time throughout the Term, no later than ninety (90) days prior to the next fiscal period, the Landlord shall give notice to the Tenant of the Landlord's estimate of such Additional Rent to be paid by the Tenant during the next ensuing fiscal period. This estimate will be based in part on the Operating Costs, Taxes and Additional Service Cost expenses for the preceding year modified by any known decrease or increase. Such Additional Rent payable by the Tenant shall be paid in equal monthly installments in advance at the same time as payment of Basic Rent is due hereunder and shall be based on the Landlord's estimate as aforesaid.
- (b) The Tenant shall pay all Additional Service Costs or expenses within ten (10) days after receipt by it from time to time of invoices from the Landlord specifying the amounts thereof.

#### 4.4 **Adjustment of Additional Rent**

- (a) After the end of each fiscal period referred to in Section 4.3, the Landlord shall deliver to the Tenant a statement of the Landlord as to the actual Additional Rent payable to the Landlord pursuant to Subsections 4.2(b) and 4.2(c) in respect of such fiscal period just terminated and a calculation of the amount by which such Additional Rent payable by the Tenant varies from the aggregate installments paid by the Tenant on account of such Additional Rent for such fiscal period. Within thirty (30) days after the receipt of such statement, either the Tenant shall pay to the Landlord any amount by which the amount found payable by the Tenant with respect to such fiscal period exceeds the aggregate of the monthly payments made by it on account thereof or the Landlord shall pay to the Tenant any amount by which the amount found payable as aforesaid is less than the aggregate of such monthly payments.
- (b) The Tenant shall have the right, exercisable by notice to the Landlord given within thirty (30) days after receipt of any statement of such Additional Rent submitted by the Landlord as aforesaid, to verify or audit (at the Tenant's sole expense) the accuracy of any amount shown on any statement, upon five (5) days prior notice to the Landlord, by inspecting the records and accounts of the Landlord pertaining to such Additional Rent statement. The Landlord shall provide electronic copies of the foregoing to facilitate the review of same by the Tenant as the Tenant may reasonably request, provided that in no event shall any such planned inspection permit the Tenant to delay payment of such Additional Rent as required by this Section 4.4.

#### 4.5 **Apportionment of Rent**

Rent shall be considered as accruing from day to day hereunder. If it is necessary to calculate Rent for a period of less than one year or less than one calendar month, an appropriate apportionment and adjustment on a pro rata daily basis shall be made. Where the calculation of Additional Rent cannot be made until after the expiration or earlier termination of this Lease, the obligation of the Tenant to pay such Additional Rent or the obligation of the Landlord to reimburse any overpayment of Additional Rent paid by the Tenant, as applicable, shall survive the expiration or earlier termination hereof and such amount shall be paid by the applicable party forthwith upon demand. If the Term commences on any day other than the first day of the month, Rent for such fraction of a month shall be adjusted, as aforesaid, and paid by the Tenant on the commencement date of the Term.

#### 4.6 **Additional Rent Deemed**

All Additional Rent shall be deemed to be Rent and the Landlord shall have all rights against the Tenant for Default in payment of Additional Rent as for Default in the payment of Basic Rent.

#### 4.7 **Arrears**

- (a) If, at any time during the Term, the Landlord accepts payment(s) from the Tenant that is less than the full amount owing to the Landlord, such acceptance by the Landlord will not be considered to forgive the Tenant of its obligation to pay the remainder of the amount owing.
- (b) If the Tenant fails to pay Rent or any other payment due to the Landlord under the terms of the Lease when due, the Tenant shall pay interest on the unpaid amount at the Rate of Interest from the date due until the date paid, both before and after default, demand and judgment, all without prejudice to and in addition to any other right or remedy of the Landlord under this Lease or at law.

#### 4.8 **Net Lease to Landlord**

This Lease and the Rent payable hereunder shall be absolutely net to the Landlord, except as expressly provided herein. For certainty, the Tenant shall pay all costs, charges and expenses related to the Premises during the Term except as expressly set out herein.

#### **4.9 N.S.F. Cheques**

For each and every cheque written payable to the Landlord from the Tenant which cannot be cashed because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, and, for each and every Tenant Bank Account Debit which cannot be processed by the bank because there are not sufficient funds (N.S.F.) in the Tenant's account, for whatever reason, the Tenant will be liable for and will be invoiced for a thirty (\$30.00) dollar penalty. This penalty will be payable immediately upon receipt of the invoice by the Tenant.

### **ARTICLE 5 -TAXES**

#### **5.1 Tenant's Taxes and Sales Taxes**

The Tenant shall pay when due to the taxing authority or authorities having jurisdiction, all Tenant's Taxes. All financial components of this Lease are subject to goods and services tax (G.S.T.) unless specifically identified to the contrary.

#### **5.2 Tenant's Contribution to Taxes**

The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the Taxes that are fairly attributable to the Premises for such calendar year, such amount to be determined by the Landlord acting reasonably. If there are separate assessments (or, in lieu thereof, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the occupation and operation of the Premises for tax purposes, the Landlord shall have regard thereto for purposes of determining the amount payable by the Tenant hereunder.

- (a) The Tenant shall provide the Landlord with a copy of any separate notices of assessment for the Premises which the Tenant has received.
- (b) The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the taxes imposed on the Landlord, if any, which are attributable to Premises, furnishings, fixtures or Leasehold Improvements installed within the Premises.
- (c) Payment by the Tenant of all amounts on account of Taxes shall be governed by Sections 4.3 and 4.4.

### **ARTICLE 6 -SERVICES**

#### **6.1 Tenant's Contribution to Operating Costs**

- (a) The Tenant shall throughout the Term, pay to the Landlord an amount equal to Operating Costs incurred by the Landlord in accordance with the terms hereof.
- (b) Payment by the Tenant of all amounts on account of the Operating Costs shall be governed by Sections 4.3 and 4.4.

- (c) Notwithstanding the foregoing, the Landlord and the Tenant agree that it is mutually advantageous for the Tenant to contract for and pay directly as many of the costs required for the occupation of the Premises and operation of its business therein during the Term. The Tenant shall reimburse the Landlord for the Operating Costs directly incurred and paid by the Landlord. Save and except as contemplated or authorized by the provisions of this Lease, the Landlord shall not bill the Tenant for Operating Costs that it is incurring directly without the consent of the Tenant, such consent not to be unreasonably withheld.
- (d) Upon the request of the Landlord, the Tenant shall promptly deliver to the Landlord for inspection, receipt for payment of all such costs paid directly by the Tenant. Upon request of the Tenant, the Landlord shall promptly deliver to the Tenant for inspection receipt for payment of all Operating Costs paid directly by the Landlord.

## **6.2 Additional Service Fee**

If the Tenant requests, and the Landlord agrees, to perform a job or service above and beyond any required by the Lease, the Tenant shall pay to the Landlord, within ten (10) days after receipt of the Landlord's invoice, the Landlord's out-of-pocket Costs incurred in providing the job or service, including a fee for associated labour and together with a coordination and supervision fee equal to fifteen (15%) percent of the Landlord's Costs for such Additional Service (plus applicable taxes thereon).

## **6.3 Electricity and Other Utilities**

- (a) The Charges for electricity and other utilities used in the Premises shall be determined by the utility service provider where separately metered or by the Landlord or its Agent using a reasonable method of calculation which has been communicated to the Tenant.
- (b) The Tenant shall replace, as and when required, all electric light bulbs, fluorescent tubes and ballasts in the Premises and provide the necessary maintenance and repair of emergency lighting systems, as well as of fluorescent and other standard building lighting fixtures located in the Premises during the Term.
- (c) The Tenant shall pay all charges for electricity and other utilities provided to the Premises. If, and whenever one or more than one utility service to the Premises is separately metered, the Tenant shall notify the appropriate utility service providers in advance and initiate direct billing for these same separately metered services to their Premises in their name and business address to commence on the Tenant's first day of occupancy in the Premises.

# **ARTICLE 7 -USE AND OCCUPANCY OF PREMISES**

## **7.1 Nature of Tenant's Business**

The Tenant hereby states and agrees that the nature of the Tenant's business is best described as that of autobody repair and ancillary services.

## **7.2 Use of Premises**

- (a) The Tenant shall, in good faith, continuously, actively and diligently use the Premises solely for the purposes of autobody repair and ancillary services and loading and unloading vehicles, directly related to the Tenant's business. The Tenant shall not use or suffer the use of the Premises or any part thereof



for any other business or purpose without the prior written approval of the Landlord. It is the Tenant's sole responsibility to apply for, obtain and pay for an Occupancy Permit and/or Business License (whatever is required by the City of Calgary) so that it is in effect at all times during the Term that the Tenant is using the Premises for the purposes allowed for herein. Any risk of not receiving the required permit(s) for the Tenant's requested use of the Premises from the City of Calgary shall be accepted solely by the Tenant and under no circumstance shall the Tenant be relieved of its obligations under the Lease in connection with the foregoing requirement.

- (b) Any change of use for the Premises during the Term shall require the prior written approval of the Landlord. If any change of use requested by the Tenant and approved by the Landlord requires a Change of Use application by the City of Calgary, or the re-issue of an Occupancy Permit by the City of Calgary, same shall be acquired by and be at the sole cost and expense of the Tenant, within a reasonable period of time. A copy of all final documentation from the City of Calgary regarding the use or occupancy of the Premises shall be forwarded forthwith to the Landlord. A breach by the Tenant of any of the provisions of this paragraph shall constitute an event of Default allowing the Landlord to immediately terminate the Lease and pursue any remedies it may have against the Tenant in law or in equity.

### **7.3 Waste and Nuisance**

The Tenant shall not initiate (intentionally or otherwise), use, exercise or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noise, or noxious, noisome or offensive art, trade, business, occupation or calling, and no act, thing or matter whatsoever shall, at any time during the continuance of this Lease, be done or not done upon the Premises or any part thereof (including, without limitation, noxious odors emanating or escaping from the Premises) which shall or may be or grow to the annoyance, nuisance, grievance or cause damage to the Landlord or and upon direction of the Landlord, the Tenant shall forthwith, at the Tenant's expense, remedy any situation resulting in a breach of this provision.

### **7.4 No Overloading of Floors, Services**

The Tenant shall not permit or allow any overloading of the floors of the Premises or the bringing into any part of the Premises of any articles or fixtures that by reason of their weight or size might damage or endanger the structure of the Premises or the Building. The Tenant shall not install or permit the installation of, any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Premises and the Tenant will not bring into the Premises or install any new utility, electrical or mechanical facility which Landlord has not first approved in writing.

### **7.5 Insurance Cancellation or Cost Increase**

- (a) The Tenant shall not do or omit to do or permit to be done or omitted to be done in the Premises anything which would cause any policy of insurance on the Premises to be subject to cancellation or non-renewal or which would cause a material increase in the cost of any insurance which the Landlord is obligated by this Lease to maintain. Upon any act or omission by the Tenant or any person for whom it is at law responsible which would result in cancellation or non-renewal in respect of such insurance which the Tenant does not promptly pay upon written demand, the Landlord may, at its option, terminate this Lease on ten (10) days' further written notice to the Tenant. The Tenant shall pay to the Landlord, forthwith upon demand, the amount of any such increase in cost of insurance caused by any act or omission of the Tenant in respect of the Premises.

- (b) If any insurance policy is cancelled or threatened by the insurer to be cancelled or the coverage thereunder is altered in any way because of the use of the Premises by the Tenant or by any person for whom the Tenant is in law responsible, and if the Tenant fails to remedy the condition giving rise to the cancellation, threatened cancellation or material alteration in coverage within five (5) business days after notice thereof is given to the Tenant (or such lesser period as the Landlord acting reasonably may determine, having regard to the urgency of the situation), the Landlord may, (but shall not be obligated to), without further notice or any liability to the Tenant or any other occupant of the Premises, enter the Premises and attempt to remedy such condition or obtain or attempt to obtain insurance coverage in replacement of the coverage cancelled, threatened to be cancelled or altered in coverage; and the Tenant shall pay to the Landlord, forthwith upon demand, the increased cost thereof of the insurance which the Landlord is obligated under this Lease to maintain.

#### **7.6 Observance of Law by Landlord and Tenant**

- (a) The Landlord shall, at its expense (unless the expense is included in Operating Costs), promptly comply with and conform to the requirements of every applicable statute, law, bylaw, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Premises other than as to those matters which are the obligation of the Tenant as provided in subsection (b) or the obligation of any other tenant.
- (b) The Tenant shall, at its expense, observe and promptly comply with and conform to, including such modifications, alterations or changes to the Premises as may therefore be necessary, the requirements of every applicable statute, law, bylaw, regulation, ordinance, police, security, energy conservation, fire, health and sanitary directive, requirement and order at any time or from time to time in force during the Term affecting the Tenant's use of the Premises or any part thereof and/or the business carried on therein and/or the Leasehold Improvements, Trade Fixtures, furniture, machinery, equipment and other facilities located in the Premises affected by the Tenant's actions in the Premises.

#### **7.7 Hazardous Substances**

- (a) The term "**Hazardous Substances**" as used in this Lease shall include, without limitation, flammables, explosives, radioactive materials, asbestos, radon, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority.
- (b) The Tenant shall not cause or permit to occur during the Term:
  - (i) any violation of any federal, provincial, or local law, ordinance; or regulation now or hereafter enacted, related to environmental conditions, on, under, or about the Premises, or arising from the Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or
  - (ii) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except in accordance with applicable laws and regulations.
- (c) Environmental Clean-up

- (i) The Tenant shall, at the Tenant's expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances (the "**Environmental Laws**");
  - (ii) The Tenant shall, at the Tenant's sole expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "**Authorities**") under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease;
  - (iii) Should any of the relevant Authorities or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, then the Tenant shall, at the Tenant's expense, prepare and submit the required plans and all related bonds and other financial assurances; and the Tenant shall carry out all such clean-up plans;
  - (iv) The Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is reasonably requested by the Landlord. If the Tenant fails to fulfill any duty imposed under this Section 7.7 within a reasonable time, the Landlord may do so; and in such case, the Tenant shall cooperate with the Landlord in order to prepare all documents the Landlord deems necessary or appropriate to determine the applicability of the Laws to the Premises and the Tenant's use thereof, and for compliance therewith, and the Tenant shall execute all documents promptly upon the Landlord's request. No such action by the Landlord and no attempt made by the Landlord to mitigate damages under any Law shall constitute a waiver of any of the Tenant's obligations under this Subsection 7.7(c) hereof; and
  - (v) The Tenant's obligations and liabilities under this Subsection 7.7(c) hereof shall survive the expiration of this Lease.
- (d) Tenant's Indemnity
- (i) The Tenant shall indemnify, defend, and hold harmless the Landlord and its officers, directors, beneficiaries, shareholders, partners, Agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including reasonable solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the Term of this Lease which arises from the Tenant's use or occupancy, at or from the Premises, or which arises at any time from the Tenant's use or occupancy of the Premises, or from the Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to the Tenant's use and occupation of the Premises during the term of this Lease.
  - (ii) The Tenant's obligations and liabilities under Subsection 7.7(d) hereof shall survive the expiration or earlier termination of this Lease.
- (e) Landlord's Indemnity

- (i) The Landlord shall indemnify, defend, and hold harmless the Tenant, and its officers, directors, beneficiaries, shareholders, partners, agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including actual solicitor's and consultant's fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of Hazardous Substances that occurs or is attributable to a period prior to the Term of this Lease which arises from the Landlord's or any other tenant's use or occupancy, at or from the Premises, or from the Landlord's or any other tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under Environmental Laws relating to a period prior to the commencement of the Term of this Lease.
- (ii) The Landlord's obligations and liabilities under Subsection 7.7(e) hereof shall survive the expiration or earlier termination of this Lease.

### **7.8 Signs**

The Tenant shall not, without the Landlord's prior written approval, not to be unreasonably withheld, affix, inscribe, paint nor cause to be affixed, inscribed or painted on any of the windows of the demised Premises, or on any part of the exterior of the Building any sign, advertisement or notice, unless such sign, advertisement or notice shall be of such color, size and style and placed in such places as shall be first designated by the Landlord, and subsequent to such written approval of the Landlord, the Tenant may use any Landlord approved sign contractor at the Tenant's sole cost and expense; and provided that the Tenant on ceasing to be the Tenant of the Premises will, before vacating the Premises, cause any sign, advertisement or notice as aforesaid described to be removed at its own expense in a good and workmanlike manner and shall repair any damage to the Premises caused by any such removal or pay the cost of such repair to the Landlord. In the event any sign, advertisement or notice shall be affixed or exposed without consent of the Landlord then the Landlord at the expense of the Tenant shall be at liberty to remove or obliterate such sign, advertisement or notice and for such purpose if reasonably necessary the Landlord by its servants or agents may enter upon the demised Premises. The Tenant will indemnify and save harmless the Landlord from any and all claims for damages which may result to any person or Premises as a result of the existence of the said signs or any of them -except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

### **7.9 Keys to Premises and Building Access Cards**

- (a) The Landlord shall provide the Tenant with two (2) keys for each entrance to the Premises at no charge. The Tenant may have additional keys made as required by the Tenant, at the Tenant's sole cost. If the Tenant chooses to re-key one or more locks on their entrance door(s) they may do so at their Cost as long as they promptly provide the Landlord with a working duplicate of each key.
- (b) If the Tenant's Premises is located in a Building controlled by access cards, two (2) cards will be provided to the Tenant at no charge and new or additional cards will be provided to the Tenant at its request, with reasonable notice to the Landlord, and the Tenant will be charged twenty-five (\$25.00) dollars for each card requested.
- (c) All keys and access cards (if applicable) shall be returned to the Landlord upon vacating the Premises at the expiration or earlier termination of the Lease.

### **7.10 Satellite Signal, Wireless Internet and Data Communication Hardware**

The Tenant shall be permitted to install, or have installed, at its own expense, any equipment, apparatus or hardware required to receive or transmit a satellite signal or wireless internet and data communication (“**Hardware**”) on any part of the exterior of the Building.

(i) Upon lease expiry or termination, at the sole discretion of the Landlord, and at the sole expense of the Tenant, all Hardware shall be expediently removed and the Tenant shall make good, to the satisfaction of the Landlord, any and all damage or alterations caused by the installation or removal of the Hardware to the Premises and/or to the Building. Failure to expediently remove Hardware and make good damage or alterations may, at the sole discretion of the Landlord, result in the withholding of Security Deposit funds

## **ARTICLE 8 -ALTERATIONS**

### **8.1 Alterations by Tenant**

- (a) The Tenant shall not, without the prior consent of the Landlord, initiate or undertake any Work in or on the Premises.
- (b) If the Tenant wishes to do any Work, the Tenant shall apply for the Landlord’s consent and furnish such plans, specifications and designs as shall be necessary to fully describe the Work. The Landlord’s consent thereto shall not be unreasonably withheld or delayed.
- (c) Subject to the Landlord’s consent having been obtained and the Landlord’s reasonable requirements (including the posting of reasonable security, if reasonably requested) being met, the Landlord recognizes the right of the Tenant to install such interior partitions and other Leasehold Improvements as are necessary or appropriate to its use and occupancy of the Premises.
- (d) Any Work shall be performed by contractors retained by the Tenant and approved by the Landlord (such approval not to be unreasonably withheld, conditioned or delayed). The Landlord shall have the right to inspect such Work and require any Work not being properly done to be corrected, and to approve on a reasonable basis the contractors, tradesmen or the Tenant's own employees (as the case may be) employed by the Tenant in connection therewith.
- (e) The Tenant shall pay to the Landlord, within ten (10) days after the receipt of the Landlord's invoice, the Landlord's reasonable out-of-pocket costs incurred in examining and approving the Tenant's plans, specifications and designs and in inspecting the Work.
- (f) The Tenant shall provide to the Landlord a complete set of updated, as-built drawings of the Premises including, without limitation, all electrical, mechanical and architectural drawings if reasonably required by the Landlord.

### **8.2 Fire Alarm and Sprinkler Systems**

The Tenant agrees that if it does any Work, or has any Work done on either new or existing Leasehold Improvements either prior to or during the Term, or use or store any potentially flammable materials that in any way affects or may affect the intended legal operation of integral Building systems including, without limitation, fire alarm systems and/or fire sprinkler systems the following conditions will subsequently apply:

- (a) The affected system(s) shall be expediently verified correct in every respect and proven legally operational by an appropriate professional, immediately followed with certification by the appropriate City Inspector.

- (b) A copy of the professional's certification shall be delivered to the Landlord within ten (10) days of receipt by the Tenant.
- (c) All costs associated with having affected Building systems certified or inspected in accordance with the foregoing will be borne solely by the Tenant.
- (d) All costs associated with rectifying any deficiencies and all subsequent inspection report failures will be borne solely by the Tenant, except to the extent caused by or as a result of the negligence or willful misconduct of the Landlord or those for whom it is at law responsible.

### **8.3 No Lien on the Premises**

The Tenant shall not create any lien, mortgage, charge, conditional sale agreement or other encumbrance in respect of any Leasehold Improvements or, without the consent of the Landlord, with respect to its Trade Fixtures; nor shall the Tenant take any action as a consequence of which any such prohibited lien, mortgage, Charge, conditional sale agreement or other encumbrance would attach to the Premises

### **8.4 Liens**

- (a) In connection with the making, erection, installation or alteration of Leasehold Improvements and Trade Fixtures and all other work or installations or alterations made by or for the Tenant in the Premises, the Tenant shall comply with every applicable statute, law, bylaw, regulation, ordinance and order affecting the same and affecting the Premises as a result of the actions of the Tenant including, without limitation, the *Builders' Lien Act* (Alberta), and any other statutes from time to time applicable thereto (including any provision requiring or enabling the retention by way of holdback of portions of any sums payable) and, except as to any such holdback, shall promptly pay all accounts relating thereto.
- (b) Whenever any builder's lien or other lien for work, labor, services or materials supplied to or for the Tenant and for which the Tenant is liable for the cost or for the -cost of which the Tenant may be in any way liable or claims therefor shall arise or be filed or any prohibited mortgage, charge, conditional sale agreement or other encumbrance shall attach, the Tenant shall within twenty (20) days after receipt of notice thereof commence to and diligently pursue procurement and registration of the discharge thereof, including any certificate of lis pendens registered in respect of any lien, by payment or in such other manner as may be required or permitted by law, and failing which the Landlord may make any payments required to procure and register the discharge of any such liens or encumbrances, including any certificate of lis pendens registered in respect of any lien, and shall be entitled to be reimbursed by the Tenant as provided in Section 15.3, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement set-off or defence.

## **ARTICLE 9 -REPAIRS**

### **9.1 Landlord's Repairs**

Subject to Section 9.5 and except as provided in Section 9.2, the Landlord shall be responsible for the following repairs, maintenance and, as may reasonably be required, replacement:

- (a) the Building including all the external and structural parts of the Building but excluding any parts thereof (except as specified in subsection (b) hereof) which comprise the whole or a part of the Premises;
- (b) repairs to the Building or the Premises of a capital nature;
- (c) replacement and non-routine repair of the boilers, pipes and other apparatus used for the purpose of heating or air conditioning the Premises and water pipes, drainage pipes, electrical systems and lighting;
- (d) replacement and repair of the roof and roof membrane; and
- (e) Insured Damage.

For certainty, the Landlord shall not be responsible for any repair, maintenance or replacement to the extent that the need for same is caused by the willful misconduct or negligence of the Tenant or those for whom the Tenant is at law responsible.

## 9.2 Tenant's Repairs

- (a) Subject to Section 9.5, the Tenant shall, at its expense and throughout the Term, keep the Premises and its Leasehold Improvements and Trade Fixtures therein in good condition and repair having regard to the permitted use of the Premises and the condition of the Premises as at the commencement of this Lease. In particular, the Tenant shall:
  - (i) undertake routine maintenance and repair of the heating, ventilation and air-condition apparatus of the Building including the plumbing, sprinkler, drainage and electrical systems, or any part thereof, consistent with past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably; and
  - (ii) be responsible for the cost of repairing any heating, ventilation, air conditioning apparatus and other mechanical systems of the Building including the plumbing, sprinkler, drainage and electrical systems, or any part thereof, to the extent the need for same is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.

The applicable maintenance schedule and standards for such maintenance and repair obligations as set forth in this Section 9.2(a) shall be determined and agreed by and between the Landlord and the Tenant, each acting reasonably and having regard for the past practice of the Landlord and including, without limitation, the condition as at the commencement of this Lease of the applicable portions and systems comprising the Premises.

- (b) For certainty, the Tenant shall not be responsible for Insured Damage, repairs which the Landlord is otherwise obliged to repair pursuant to the terms of this Lease, or any repair or replacement the need for same is caused by the willful misconduct or negligence of the Landlord or those for whom the Landlord is at law responsible.
- (c) The Tenant shall also make good any damage to the Premises caused by the Tenant or those for whom it is in law responsible and which is not Insured Damage. All repairs by the Tenant shall be subject to Section 8.1.

### **9.3 Entry by Landlord to View State of Repair**

The Landlord shall be entitled, at any time upon reasonable prior notice to the Tenant (not less than twenty-four (24) hours) and from time to time, to enter and view the state of repair of the Premises. The Tenant shall repair, only as specified in Sections 8.1 and 9.2.

### **9.4 Notice of Defects**

The Tenant shall give to the Landlord prompt notice of any defect in the Building or Premises of which it becomes aware, including plumbing or utility systems and equipment or any other part thereof howsoever caused; provided that nothing herein shall be construed so as to require repairs to be made by the Landlord, except to the extent caused by the negligence or willful misconduct of the Landlord or those for whom it is at law responsible and except as otherwise expressly provided in this Lease.

### **9.5 Tenant to Leave Premises in Good Repair**

The Tenant shall leave the Premises and (subject to Section 3.5) the Leasehold Improvements, at the expiration or earlier termination of the Lease, in the condition and repair as required of the Tenant under Section 9.2(a).

### **9.6 Termination or Abatement after Damage**

If and whenever the Premises is destroyed or damaged by any cause to the extent that, in the Landlord's reasonable opinion to be given in writing to the Tenant within sixty (60) days after the occurrence of such damage or destruction, they are unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage, then either the Landlord or the Tenant may terminate this Lease by notice to the other, to be given within thirty (30) days after the giving of the Landlord's written opinion above referred to, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord and Rent shall be apportioned to the date of such destruction or damage (subject to the payment of Rent from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises is fit for occupancy by the Tenant until such surrender is of the total Net Rentable Area of the Premises). For certainty, any decisions regarding the extent to which the Premises has become unfit for use shall be made by a third party architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties hereto.

### **9.7 Tenant Terminates**

If Tenant exercises its right to terminate this Lease under this Clause, Tenant shall make available (or pay over) to Landlord the proceeds of insurance carried by Tenant pursuant to Section 10.2 with respect to such fire or other casualty (excluding any insurance proceeds received by Tenant for any of Tenant's personal Premises) and property.

- (a) If and whenever all or any portion of the Building is destroyed or damaged by reason of any cause to such extent that:
  - (i) in the Landlord's reasonable opinion to be given to the Tenant in writing within sixty (60) days after the occurrence of such damage or destruction, it is unable to be repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage; or
  - (ii) the estimated cost (as estimated by the Landlord) of repairing or rebuilding the Premises exceeds the proceeds of insurance available to the Landlord for such purpose (or which would



have been available if the Landlord had insured in compliance with Section 10.1); the Landlord may terminate this Lease upon not less than thirty (30) days prior written notice to the Tenant, given within sixty (60) days after the happening of such destruction or damage, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord; and

- (iii) if and to the extent that such destruction or damage has rendered the Premises in whole or in part unfit for occupancy by the Tenant-, Rent shall abate from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises unfit for occupancy is of the total Net Rentable Area of the Premises; and
  - (iv) otherwise Rent shall be apportioned to the date of surrender.
- (b) If and whenever the Premises is destroyed or damaged by reason of any cause and this Lease shall not have been terminated, the Landlord shall, with all reasonable diligence, make the repairs specified in Section 9.1 and the Tenant shall, with all reasonable diligence and in compliance with Section 8.1, make all repairs to the Premises specified in Section 9.2 and complete the Premises for occupancy for the purpose described in Section 7.1 and in compliance with Subsection 7.6(b). If as a result of any destruction or damage to the Premises which the Landlord is obligated to repair pursuant to Section 9.1, and which is not the fault of the Tenant or those for whom it is at law responsible, and which does not consist of merely a temporary interruption of or interference with any utility, service or access, the Premises is rendered in whole or in part unfit for occupancy by the Tenant, then during the period commencing on the occurrence of such destruction or damage and ending upon the date when the repairs to the Premises have been completed, Rent hereby reserved shall be abated entirely from the date of damage until the Premises has been repaired or restored.

## **ARTICLE 10 -INSURANCE AND LIABILITY**

### **10.1 Landlord's Insurance**

The Landlord shall throughout the Term hereof effect and maintain the following insurance in respect of the Building and the Lease:

- (a) "all risks" insurance which shall insure the Premises on a replacement value basis against fire, earthquak, extended coverage endorsement perils and other casualties and contingencies against which a reasonable landlord would insure;
- (b) boiler and machinery insurance on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;
- (c) loss of rental income insurance in an amount sufficient to replace all Rent payable under the provisions of this Lease for an indemnity period of a reasonable period of time;
- (d) commercial general liability insurance covering claims for personal injury and Premises damage arising out of the operation of the Premises; and
- (e) such other coverage, or increases in the amount of coverage, as the Landlord may consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure the Leasehold Improvements in the Premises except to the extent herein specifically required.

## 10.2 Tenant's Insurance

- (a) The Tenant covenants and agrees with the Landlord to pay the cost of replacing any damaged plate or other glass in the windows and doors of the demised Premises, and repair damage to the demised Premises resulting from burglary or attempt thereat notwithstanding any other provision hereof **AND FURTHERMORE** the Tenant shall keep all plate glass and all doors and windows in the demised Premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained. The Tenant shall have any and all such damage expediently repaired and/or replaced with like kind and quality, and in any case to the sole satisfaction of the Landlord, acting reasonably.
- (b) Furthermore, the Tenant shall, at its expense, take out and keep in force during the Term:
- (i) **Commercial General Liability Insurance:** inclusive limits commercial general liability insurance which shall include coverage for personal injury, contractual liability, non-owned automobile liability insurance and owned automobile insurance covering bodily injury, death and Premises damage, all on an occurrence basis with respect to the Tenant's use and occupancy of the Premises, with coverage for any one occurrence or claim of not less than Three Million (\$3,000,000.00) Dollars or such other amount as the Landlord may from time to time reasonably require upon not less than thirty (30) days' notice at any time during the Term, with the Landlord added as "additional insured" on the policy;
  - (ii) **Tenant Legal Liability Insurance:** Tenant's legal liability on an "all risk" format in a minimum amount that will cover the full replacement cost of the Premises (to the extent not arranged by the Landlord and charged to the Tenant as an Operating Cost pursuant to the terms hereof);
  - (iii) **Leasehold Improvement Insurance:** "all risks" insurance including earthquake, flood and sewer backup perils covering the replacement value of the Leasehold Improvements for which insurance shall be a minimum amount equal to the total of fifty-five dollars times the square footage of the improved Premises and covering Trade Fixtures (if any) and burglary insurance with respect to the Premises for not less than the full replacement cost thereof, and which insurance shall include a bylaw endorsement and shall provide that any proceeds recoverable with respect to Leasehold Improvements shall be payable to the Landlord (but the Landlord agrees to make available such proceeds toward the repair or replacement of the insured Premises if this Lease is not terminated pursuant to any other provisions hereof); and
  - (iv) **Miscellaneous Perils Insurance:** Insurance against such other perils and in such amounts as the Landlord or any mortgagee may from time to time reasonably require upon not less than sixty (60) days' notice, such requirement to be made on the basis that the required insurance is customary at the time in the same city or area for buildings similar to the Building.

## 10.3 Form of Tenant's Insurance

- (a) All policies of insurance required to be maintained by the Tenant hereunder:
- (a) shall be on terms, and with such insurers, to which the Landlord has no reasonable objection;
  - (b) shall be primary non-contributing with, and not in excess of, any other insurance available to the Landlord or its mortgagee;

- (c) with respect to the insurance described in Subsections 10.2(b)(ii), (iii) and (iv) shall name the Landlord as additional insured and loss payee and, during the Term, the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and loss payee;
  - (d) with respect to Subsections 10.2(b)(i) shall name the Landlord as an additional insured and, during the Term the Landlord may reasonably require, in writing to the Tenant, that an additional party or parties with an interest in the Premises be named as additional insured and Tenant Liability Insurance shall contain provision for cross-liability and severability of interest clauses;
  - (e) with respect to Subsections 10.2(b)(ii), (iii) and (iv) shall contain where applicable a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or anyone for whom the Landlord is in law responsible.
  - (f) Each policy shall also contain an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be cancelled or not be renewed, except after not less than thirty (30) days prior written notice to the Landlord of the intended change, lapse or cancellation.
- (b) The Tenant shall furnish to the Landlord, if reasonably requested by the Landlord, certificates as to the insurance from time to time effected by the Tenant and its renewal or continuation in force in form acceptable to the Tenant's insurers evidencing that the required insurance is in force, together with evidence as to the method of determination of full replacement cost of the Tenant's Leasehold Improvements and the Tenant's Trade Fixtures, furniture and equipment. If, during the Term, the Landlord reasonably concludes that the full replacement cost has escalated for whatever reason, the Landlord may revise the coverage amount required by the Tenant. If the Tenant fails to take out, renew or keep in force such insurance, or if the certificates submitted to the Landlord pursuant to the preceding sentence are unacceptable to the Landlord (or no such certificates are submitted within a reasonable period after request therefor by the Landlord), the Landlord may give to the Tenant notice requiring compliance with this section and specifying the respects in which the Tenant is not then in compliance with this section. If the Tenant does not, within five (5) business days (or such lesser period as the Landlord may reasonably require having regard to the urgency of the situation), provide appropriate evidence of compliance with this section, the Landlord will charge the Tenant for all actions required to be taken, in the sole judgment of the Landlord, to ensure compliance with this section.
- (c) All costs reasonably incurred by the Landlord in connection with the foregoing will be considered as Additional Rent and shall be due immediately upon receipt of invoice by the Tenant. In addition, the Landlord may, but shall not be obligated to, obtain some or all of the additional coverage or other insurance which the Tenant shall have failed to obtain, without prejudice to any other rights of the Landlord under this Lease or otherwise, and the Tenant shall pay all premiums and other costs incurred by the Landlord forthwith upon demand.

#### **10.4 Release of Landlord by Tenant**

Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from:

- (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or
- (ii) arising from the breach by the Landlord of any provisions of this Lease (all of the foregoing referred to

herein as the “**Tenant Exceptions**”), the Tenant hereby releases the Landlord from all claims, actions, causes of action, damages, demands for damages and other liabilities, that may be made by the Tenant against the Landlord under the provisions of this Lease. The Tenant agrees that the Landlord, except to the extent arising from the Tenant Exceptions, shall not be liable for and hereby releases the Landlord from any and all claims, causes of action, damage, demands for damage and other liabilities:

- (a) for any damage (other than Insured Damage) which is caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Premises or from the pipes or plumbing works, including the sprinkler system thereof, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring or of sprinkler heads;
- (b) any act or omission on the part of any Agent, contractor or person from time to time engaged by the Landlord to perform Additional Services in or about the Premises;
- (c) loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant; or
- (d) loss or damage for which the Tenant is required to or does carry insurance. In addition, the Tenant hereby releases the Landlord and those for whom the Landlord is at law responsible from all claims or liabilities in respect of damage required to be insured against by the Tenant pursuant to the terms of this Lease.

#### **10.5 Release of Tenant by Landlord**

The Landlord hereby releases the Tenant and those for whom the Tenant is at law responsible from all claims or liabilities in respect of any damage which is Insured Damage to the extent of the insurance proceeds actually received by the Landlord.

#### **10.6 Indemnities of Landlord by Tenant**

- (a) Subject to Section 10.5 hereof, the Tenant will indemnify the Landlord and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property and reasonable legal fees, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provisions of this Lease, except to the extent that any such liabilities, claims or expenses are caused by, arise by reason of or in connection with the negligence or intentional act of the Landlord or those for whom the Landlord is in law responsible. This indemnity shall survive the termination or expiry of this Lease.
- (b) The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all reasonable costs of remediation) arising in any manner whatsoever out of any breach by the Tenant or any party for whom the Tenant is responsible at law of any Environmental Law, except to the extent that such things are insured against by the Landlord but only to the extent of

insurance proceeds received by the Landlord. This indemnity shall survive the termination or expiry of this Lease.

#### 10.7 Indemnities of Tenant by Landlord

- (a) Subject to Section 10.4 hereof, the Landlord will indemnify the Tenant and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses, including reasonable legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing, to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to: (a) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (b) arising from the breach by the Landlord of any provisions of this Lease. This indemnity shall survive the termination or expiry of this Lease.
- (b) Notwithstanding anything in this Lease to the contrary, the Tenant shall have no obligations with respect to Hazardous Substances located on, in, above or under the Premises prior to the commencement of this Lease, and the Landlord agrees to indemnify and save harmless the Tenant from and against any claims or demands pursuant to any Environmental Laws, or third party claims, with respect to said pre-existing Hazardous Substances. This indemnity shall survive the termination or expiry of this Lease.

### ARTICLE 11 -ASSIGNMENTS AND SUBLEASES BY TENANT AND TRANSFERS BY LANDLORD

#### 11.1 Assignments, Subleases, Transfers

- (a) In this Lease, "**Transfer**" means:
  - (i) an assignment, sale, termination, conveyance, sublease, or other disposition of this Lease or the Premises, or any part of them or any interest in this Lease (whether by operation of law or otherwise), or in a partnership that is a Tenant under this Lease;
  - (ii) a mortgage, charge or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Tenant under this Lease;
  - (iii) a sharing of possession of all or part of the Premises;
  - (iv) a Transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "affiliate" (which for the purposes of this Article 11 means "affiliate" as that term is defined on the date of this Lease under the *Canada Business Corporations Act*) of the Tenant which results in a change in the effective voting control of the Tenant; or
  - (v) a merger, amalgamation or other corporate reorganization of the Tenant. "Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in this subsection, the Transferor is the person that has effective voting control before the Transfer and the Transferee is the person that has effective voting control after the Transfer).
- (b) The Tenant shall not assign, sublet or otherwise Transfer this Lease, either directly or indirectly,

without the express written consent of the Landlord which consent may not be unreasonably withheld. In the event the Landlord gives its consent to an assignment or sub-tenancy, the Tenant shall, notwithstanding the Landlord's consent, remain liable to the Landlord for all of the Tenant's covenants and obligations contained in this Lease. It is further understood and agreed that in the event the Landlord consents to an assignment or sub-tenancy, the Landlord may, in its sole and absolute discretion, refuse to consent to any further assignment or sub-letting of the Premises during the Term or any extended Term of the Lease.

- (c) Without limitation, it shall constitute reasonable grounds for any withholding of consent by the Landlord that, in the Landlord's reasonable judgment:
  - (i) the proposed Transferee does not have a satisfactory financial condition having regard to the obligations which it will assume as Transferee;
  - (ii) it is intended or likely that it will use any part of the Premises for any purpose which is not permitted by this Lease or which is not acceptable to the Landlord, acting reasonably;
  - (iii) where the return to the Tenant on any proposed Transfer is greater than the amounts payable by the Tenant hereunder and the Tenant has not agreed to pay an amount equal to fifty (50%) percent of such excess to the Landlord; or
  - (iv) if, at the time of requesting a Transfer, the Tenant is in Default hereunder.
- (d) Without limitation, the Tenant shall for the purposes of this Lease be considered to have effected or permitted a Transfer in any case where it permits the Premises or any portion thereof to be occupied by a person or persons other than the Tenant, its employees and others engaged in carrying on the business of the Tenant, whether pursuant to assignment, subletting, license or other right, and shall also include any case where any of the foregoing occurs by operation of law.
- (e) The Landlord shall have the right of approval, acting reasonably, of any marketing of space by the Tenant.
- (f) If the Landlord's consent is given, the Tenant shall complete the Transfer, but only upon the terms set out in the offer submitted to the Landlord pursuant to Section 11.2 and not otherwise. Such Transfer shall occur within one hundred and twenty (120) days after the Tenant's request for consent and only upon any Transferee entering into an agreement directly with the Landlord, and in a form satisfactory to the Landlord, acting reasonably, to perform, observe and keep each and every covenant proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent.
- (g) Notwithstanding the foregoing, the Tenant shall have the right to assign or sublet to a corporation affiliated (as that term is defined in the *Business Corporations Act* (Alberta)) with the Tenant without the consent of the Landlord, provided that the Tenant has first given notice to the Landlord and further provided that the Tenant and its affiliate have first entered into an agreement directly with the Landlord, in a form satisfactory to the Landlord, acting reasonably, whereby the affiliate agrees to perform, observe and keep each and every covenant, proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent and whereby the Tenant and the affiliate agree to remain affiliated to one another, a breach of which agreement would constitute a breach of this Lease.

- (h) All reasonable legal fees of the Landlord incurred with the preparation of the documentation by the Landlord in respect to any Transfer (as defined in Subsection 11.1 (a) herein) by the Tenant shall be paid by the Tenant forthwith upon demand, prior to the Landlord initiating any requested Transfer process, up to a maximum amount of One Thousand (\$1,000.00) Dollars plus G.S.T.

### **11.2 Landlord's Consent**

- (a) The Tenant shall not effect or permit a Transfer unless:
  - (i) it shall have received or procured a bona fide written offer therefor to take a Transfer which is not inconsistent with, and the acceptance of which would not breach, any provisions of this Lease if this Article is complied with and which the Tenant has determined to accept subject to this Article being complied with; and
  - (ii) it shall have requested and obtained the consent in writing of the Landlord thereto.
- (b) Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord information reasonably requested by the Landlord, as to the responsibility, reputation, financial standing and business of the proposed Transferee. Within ten (10) days after the receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within ten (10) days after receipt of such request for consent), the Landlord shall provide, decline to provide or otherwise withhold its consent. In the event that the Landlord declines to provide its consent, subject to (c) below the Landlord shall have the right upon notice to the Tenant, if the proposed Transfer affects the whole of the Premises, to terminate this Lease or, if the proposed Transfer affects a part of the Premises only, to delete from the Lease such part of the Premises as is affected by the proposed Transfer, in each case as of the date of the proposed Transfer. In such event, the Tenant shall surrender the whole or part, as the case may be, of the Premises in accordance with such notice and Rent shall be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, Rent shall thereafter abate proportionately. If the Landlord shall not exercise the foregoing right, then the provisions of Section 11.1 shall apply.
- (c) If the Landlord elects to terminate or delete in accordance with (b) above, as the case may be, the Tenant may withdraw its request for consent by notice to the Landlord within ten (10) days after the Landlord's notice of such election, in which event the Landlord's notice of election shall be null and void and the Tenant shall not proceed with the Transfer for which such consent was requested.

### **11.3 No Advertising of the Premises**

The Tenant shall not print, publish, post, mail, display, broadcast or otherwise advertise or offer the whole or any part of the Premises for the purposes of a Transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which may be unreasonably withheld. In any event such notices or advertisement shall not be located in or on the Building, shall not be on a sign larger than four (4) feet square in size and shall not contain any reference to the Rent payable in respect of the Premises. Such notices or advertisement shall be situated at a location and in a form pre-approved by the Landlord, in its sole discretion.

### **11.4 Dealings by Landlord**

Subject to the Tenant's Right of First Refusal pursuant to Section 17.19 hereof, the Landlord may sell, transfer, charge, encumber or otherwise deal with the Premises or any portion thereof or any interest of the Landlord therein, in every case without the consent of the Tenant and without restriction. To the extent that any purchaser or transferee from the Landlord has become bound by the covenants and obligations of the Landlord under this Lease, the Landlord shall, without further written agreement, be freed and relieved of liability with respect to such covenant and obligations.

## **ARTICLE 12 – ESTOPPEL CERTIFICATES, CAVEATS, ENCUMBRANCES, LIENS & INTERESTS REGISTERED ON TITLE**

### **12.1 Estoppel Certificates**

Each of the Landlord and the Tenant agrees that it will, at any time and from time to time, upon the reasonable request of the Landlord or the Tenant, as applicable, and upon not less than twenty (20) days' notice, execute and deliver to the other (and, if required, to any prospective purchaser or mortgagee or encumbrancer of the Premises) a certificate in writing as to the status at that time of this Lease, including as to whether this Lease is unmodified and in full force and effect (or, if modified, stating the modification and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the date on which the same, by installments or otherwise, and other charges hereunder, have been paid, whether or not there is any existing Default on the part of the other of which it has notice, and any other matters pertaining to this Lease as to which the other shall reasonably request a statement.

### **12.2 Caveats, Encumbrances, Liens & Interests Registered on Title**

- (a) The Tenant shall be entitled to file a caveat giving notice of this Lease, however, **THE TENANT SHALL DELIVER THE CAVEAT OR NOTICE TO THE LANDLORD FOR PRIOR APPROVAL, NOT TO BE UNREASONABLY WITHHELD. UNDER NO CIRCUMSTANCES SHALL ANY FORM BE REGISTERED THAT CONTAINS FINANCIAL INFORMATION.**
- (b) The Tenant agrees that it will, at its sole expense, commence to discharge and withdraw from title any such registration within thirty (30) days following the expiration or sooner termination of the Lease. If such registration is not discharged and withdrawn during the aforesaid time, the Landlord shall have the right and is hereby appointed by the Tenant as its Agent and attorney to prepare, execute and register on behalf of the Tenant such documentation as is required to discharge and withdraw any such registration, and all costs shall be borne solely by the Tenant. The Landlord, at its sole discretion, may seek reimbursement directly from the Tenant.

### **12.3 Subordination and Attornment**

Unless otherwise agreed by the Landlord, this Lease and all of the rights of the Tenant hereunder shall be subordinate to any encumbrances and any and all mortgages by the Landlord's mortgagees from time to time registered against the title to the Premises. Upon the reasonable request being made by the Landlord, the Tenant shall postpone its rights under the Lease to any and all such mortgages or encumbrances and shall do so in such form or forms as the Landlord may require. The Tenant acknowledges and agrees that it will take no steps to obstruct the Landlord's rights under this clause and also acknowledges and agrees that its refusal to execute such a postponement when requested to do so could cause the Landlord substantial financial damages which the Landlord shall be entitled to claim back against the Tenant for its refusal to comply with the provisions of this section of the Lease.

## **ARTICLE 13 -UNAVOIDABLE DELAYS**



### **13.1 Unavoidable Delays**

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted in the fulfillment of any obligation hereunder in respect of the supply or provision of any service or utility the making of any repair, the doing of any work or any other thing (other than the payment of moneys required to be paid by the Tenant to the Landlord hereunder) by reason of:

- (a) strikes or work stoppages;
- (b) being unable to obtain any material, service, utility or labor required to fulfill such obligation;
- (c) any statute, law or regulation of, or inability to obtain any permission from any government authority having lawful jurisdiction preventing, delaying or restricting such fulfillment in relation to a government response or health directive related to an epidemic or other public emergency; or
- (d) other unavoidable occurrence,

the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned; provided that nevertheless the Landlord will use its best efforts to maintain services essential to the use and enjoyment of the Premises and provided further that if the Landlord shall be prevented, delayed or restricted in the fulfillment of any such obligation hereunder by reason of any of the circumstances set out in Subsection 13.1(c) hereof and to fulfill such obligation could not, in the reasonable opinion of the Landlord, be completed without substantial additions to or renovations of the Premises, the Landlord may on sixty (60) days' written notice to the Tenant terminate this Lease and the Tenant shall not be entitled to any compensation whatsoever or abatement of Rent.

## **ARTICLE 14 -LANDLORD'S ACCESS TO PREMISES**

### **14.1 Inspection and Repair**

The Landlord and its authorized Agents and employees shall have the right, at any time and from time to time, upon not less than twenty-four (24) hours prior notice to the Tenant, to enter the Premises for the purpose of inspection, providing maintenance, making repairs, alterations or improvements to the Premises or to have access to utilities and services as may be required pursuant to the terms of this Lease, and the Tenant shall provide reasonable access for such purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, except to the extent as a result of the willful misconduct or negligence of the Landlord or those for whom it is at law responsible. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

### **14.2 Right to Exhibit Premises**

Where the Tenant has sent notice to the Landlord of its intention not to exercise its Renewal Option, or has failed to provide the Landlord with its Renewal Notice within the appropriate period, the Landlord and its authorized Agents and employees shall have the right-, upon forty-eight (48) hours prior notice to the Tenant, to exhibit the Premises to prospective tenants at all reasonable hours during the last three (3) months of the Term. The Landlord and its authorized Agents and employees shall also have the right, upon not less than

twenty-four hours prior notice to the Tenant, to enter upon the Premises at reasonable hours during the Term for the purpose of exhibiting the Premises to any prospective purchaser or mortgagee thereof. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises for the duration of the Term.

## ARTICLE 15 -DEFAULT

### 15.1 Events of Default

Each of the following shall be an event of Default of the Tenant:

- (a) whenever the Tenant defaults in the payment of any Rent and such Default continues for five (5) business days after written notice thereof to the Tenant; or
- (b) other than with the prior consent of the Landlord, if the Tenant permits the Premises to be used for a purpose other than that described in Section 7.2 hereof; or
- (c) whenever the Tenant defaults in the performance of any of its other obligations hereunder and such Default can be remedied by the Tenant but is not remedied within a period next after written notice thereof is provided by the Landlord and which period shall be:
  - (i) if the Default could reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure within ten (10) business days after notice and proceeds thereafter diligently and continuously to remedy it within thirty (30) business days;
  - (ii) if the Default could not reasonably be remedied within thirty (30) business days after notice and provided the Tenant has commenced to remedy such failure not later than ten (10) business days after notice and proceeds thereafter diligently and continuously to remedy it, that number of days after notice which would reasonably suffice for the remedying of such Default if the Tenant had commenced to remedy such Default within ten (10) business days after notice and proceeded thereafter diligently and continuously to remedy it; and
  - (iii) in any case where the Tenant does not commence to remedy such Default within ten (10) business days after notice;
- (b) if the Tenant is adjudicated to be insolvent or makes an assignment for the benefit of creditors or in bankruptcy, or is declared bankrupt, or takes the benefit of any legislation that may be in force for bankrupt or insolvent debtors or if any proceedings are taken by or against the Tenant under any winding-up legislation, and such adjudication, assignment declaration or proceedings are not set aside or revoked within sixty (60) business days after the making or taking of the same, or if the Tenant makes any bulk sale of its assets, except to a successor in conjunction with a permitted assignment of this Lease;
- (c) if a writ of execution is issued against the Tenant, or if the Term hereby granted or any of the goods, chattels or equipment of the Tenant is taken in execution or attachment, or be seized by any creditor of the Tenant, whether secured or otherwise; or
- (d) if the Premises or a substantial part thereof are abandoned or become vacant or not used or occupied while capable of use and occupancy, and remain so for a period of twenty (20) business days (which

does not include temporary vacancy or non-use for a longer period when necessary to accommodate the carrying out of renovations in the Premises or a change in use of the Premises or required vacancy pursuant to Section 13.1 hereof), or if the Premises is used by any other person or persons other than the Tenant or for any other purpose than that for which the same were let, in each case without the prior written consent of the Landlord.

## **15.2 Remedies by Landlord**

Upon any event of Default of the Tenant, in addition to any remedy that the Landlord may have by this Lease or at law or in equity, the Landlord may, at its option:

- (a) provide, by notice to the Tenant that the current month's Rent and Rent for the next ensuing three (3) months shall thereupon become immediately due and payable;
- (b) terminate this Lease and re-enter and take possession of the Premises;
- (c) enter the Premises as agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and without being deemed to have terminated this Lease, and relet the Premises or any part thereof as the agent of the Tenant and receive the rent therefor to be applied on account of the Rent;
- (d) exercise its right of distress and the Tenant hereby waives any present or future limitation on the Landlord's right of distress; and/or
- (e) suspend the supply to the Premises of any Additional Service furnished by the Landlord until the Default is cured.

## **15.3 Additional Self-help Remedy of Landlord**

In addition to all other remedies the Landlord may have by this Lease, at law or in equity, if the Tenant does not perform any of its obligations hereunder, the Landlord may, at its option, perform any such obligations, after five (5) business days notice-, or as may otherwise be provided for in this Lease, to the Tenant, or, in the event of an emergency without notice, and in such event the cost of performing any such obligations plus an administrative charge of fifteen (15%) percent of such cost shall be payable by the Tenant to the Landlord forthwith upon demand together with interest at the Rate of Interest from the date of the performance of any of such obligations by the Landlord to the date of payment by the Tenant.

## **15.4 Legal Costs**

The Tenant hereby agrees to pay to the Landlord, within ten (10) days after demand, all reasonable legal fees and disbursements incurred by the Landlord for the enforcement of any rights of the Landlord under this Lease or in the enforcement of any of the provisions of this Lease or in the obtaining of possession of the Premises or for the collection of any monies from the Tenant in accordance with the terms of the Lease.

## **15.5 Remedies Cumulative**

Any condoning, excusing or overlooking by either the Landlord or the Tenant of any Default by the other at any time or times in respect of any obligation of the other herein shall not operate as a waiver of the non-Defaulting party's rights hereunder in respect of such Default or so as to defeat or affect in any way the rights of the non-Defaulting party in respect of any such continuing or subsequent Default by the Defaulting party.

No waiver shall be implied by anything done or omitted by a party. Any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

#### 15.6 Non-Waiver

The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any Default hereunder by the Tenant, either by any provision of this Lease, or by statute, or at law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord at law or in equity.

### ARTICLE 16 -DISPUTE RESOLUTION

#### 16.1 Dispute Resolution

- (a) Any dispute arising out of or pursuant to this Lease shall be settled through negotiations in the following sequence:
  - (i) non-binding mediation; and
  - (ii) binding arbitration.
- (b) Either party may, within fifteen (15) days, take the dispute to the next step if the parties fail to agree on the appointment or procedure referred to in this clause.
- (c) When mediation is selected by the parties, they shall jointly appoint one impartial mediator to undertake the process according to mutually agreed upon procedures.
- (d) If the parties decide to submit a dispute to arbitration, it shall be pursuant to the *Arbitration Act* (Alberta). The parties shall attempt to appoint jointly one impartial arbitrator. If the parties cannot agree within thirty (30) days on the choice of an arbitrator, each party shall appoint, at its own cost, one impartial arbitrator and those two arbitrators shall appoint a third arbitrator, who shall act as chairperson of the arbitral tribunal. The parties agree that the decision of the arbitrator(s) so appointed shall be final and binding upon the parties, who further covenant with each other that upon such decision being given such decision shall be final.
- (e) When one of the preceding steps is selected to resolve a dispute, the parties shall jointly enter into a contract with the required mediator, arbitrator or arbitrators, as the case may be, to pay the costs for the desired services and to bear their own costs of participating in the process involved.
- (f) If proper notice of intention to request a court of competent jurisdiction to resolve the dispute is received by either party, any arbitration proceedings shall be immediately terminated and any cost incurred to date of termination shall be in accordance with Section (e) above.

### ARTICLE 17 -GENERAL PROVISIONS

#### 17.1 Entire Agreement; Measurement Survey

This Lease contains all of the terms and conditions of the agreement between the Landlord and the Tenant relating to the matters herein provided and supersedes all previous agreements or representations of any kind,

written or verbal, made by anyone in reference thereto. There shall be no amendment hereto unless in writing and signed by the party to be bound. Notwithstanding the foregoing, if, following the execution of this Lease, the Landlord obtains a survey by a certified measuring professional which determines the actual Gross Rentable Area of the Premises, it shall be attached hereto as Schedule "A" and form part of this Lease. If the Gross Rentable Area of the Premises shown in this same survey is different than the Gross Rentable Area described in Schedule "A", then it shall take precedence and thereafter become the Gross Rentable Area used to calculate Basic Rent.

## **17.2 Schedules**

All Schedules attached hereto are hereby incorporated and form part of this Lease. Capitalized terms used in the Schedules hereto but not otherwise defined therein shall have the meanings assigned to them in this Lease.

## **17.3 Municipal Government Act**

This Lease is subject to compliance, if necessary, with the *Municipal Government Act* (Alberta).

## **17.4 Survival of Obligations**

Any obligation of a party which is unfulfilled on the termination of this Lease shall survive until fulfilled.

## **17.5 Severability of Illegal Provision**

If any provision of this Lease is or becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though the said provision had never been included.

## **17.6 Governing Law**

This Lease shall be governed by the laws applicable in the Province of Alberta.

## **17.7 No Partnership**

Nothing contained herein shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

## **17.8 Number, Gender, Joint and Several Liability**

The word "Tenant", the word "assignee" and the word "sublessee" and personal pronouns relating thereto and used in conjunction therewith shall be read and construed as "Tenant" or "Tenants", "assignee" or "assignees" and "sublessee" or "sublessees" respectively and "his", "her", "it", "its" and "their" as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be considered as agreeing with the said word or pronoun so substituted. If at any time there is more than one Tenant together or in succession, they shall be jointly and severally liable for all of the obligations of the Tenant hereunder.

## **17.9 Captions**

The captions for Articles or sections of this Lease are for convenience only and are not to be considered a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

#### 17.10 Time of Essence

Time shall be of the essence of this Lease.

#### 17.11 Landlord's Agent

The Landlord may perform any of its obligations or exercise any of its rights hereunder through such agency as it may from time to time determine and the Tenant shall, as from time to time directed by the Landlord, pay to any such Agent any moneys payable hereunder to the Landlord.

#### 17.12 Successors and Assigns

The word "**Landlord**" wherever it occurs herein, shall mean and extend to and include the Landlord, its successors and assigns and the word "**Tenant**" shall mean and extend to and include the Tenant, its successors and assigns. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective heirs, executors, administrators, successors and permitted assigns of the said parties. No rights shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with the provisions of this Lease.

#### 17.13 Accounting Principles

All calculations referred to herein shall be made in accordance with generally accepted accounting principles and practices applicable to the real estate development industry and applied on a consistent basis.

#### 17.14 Notices and Consents

Any notice or consent (including any invoice, statement, request or other communication) herein required or permitted to be given by either party to the other shall be in writing and shall be delivered by hand, facsimile, electronic mail or sent by Canada Post registered mail (postage prepaid) to the applicable communication address or addresses set forth below:

- (a) in the case of the Landlord, to:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB ,T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

- (b) in the case of the Tenant, to:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8  
Attention: Shane Daerden

Email: shane@collisionkings.ca

Any notice delivered, or legibly received by hand, via email or transmitted by facsimile machine, shall be deemed to have been validly and effectively given on the day of such delivery. A printed "read receipt" shall be proof that an email notice has been effectively sent on the date and time shown on such receipt. Any notice delivered or legibly received by courier or by Canada Post registered mail shall be deemed to have been validly and effectively given on the second Business Day following the date it was sent.

Either party may from time to time by written notice to the other change its address for service hereunder.

#### **17.15 Further Assurances**

Each party agrees to make such further assurances as may be reasonably required from time to time by the other to more fully implement the true intent of this Lease.

#### **17.16 Confidentiality**

The Tenant agrees to use its best efforts to keep confidential, and to use its best efforts to ensure that those for whom at law it is responsible, and its advisors keep confidential the provisions of this Lease.

#### **17.19 Right of First Refusal**

The Tenant shall have the right of first refusal for any bona fide offers the Landlord may receive for the Premises as set forth in Schedule "B" attached hereto.

#### **17.20 Counterparts**

This Lease may be signed by the parties in counterpart and delivered to the other electronically.

**<THE SIGNATURE PAGE FOLLOWS>**

IN WITNESS WHEREOF the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**  
(Landlord)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ c/s  
(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**  
(Tenant)

PER:  \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(I have authority to bind the Corporation)



**IN WITNESS WHEREOF** the parties hereto have duly executed this Lease as of the date first above written.

**CMD PROPERTIES INC.**

(Landlord)

PER: *Chris Stathonikos*

Name: CHRIS STATHONIKOS

Title: PRESIDENT c/s  
(I have authority to bind the Corporation)

**CMD HOLDINGS INC.**

(Tenant)

PER: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(I have authority to bind the Corporation)

SCHEDULE "A"  
GROSS RENTABLE AREA

**SCHEDULE "B"**  
**RIGHT OF FIRST REFUSAL AGREEMENT**

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2020.

BETWEEN:

**CMD PROPERTIES INC.**  
(the "Grantor")

- and -

**CMD HOLDINGS INC.**  
(the "Grantee")

**RECITALS:**

A. The Grantor is the registered owner of an estate in fee simple of those certain lands situate in Calgary, in the Province of Alberta, legally described as follows:

Plan 4040N  
Block 4  
Lots 23, 24, 25, and 26  
Excepting Thereout All Mines and Minerals

(the "Lands");

B. There is currently situated on the Lands, a building owned by the Landlord (the "Building");

C. The Grantor has agreed to grant the Grantee a right of first refusal with respect to the Lands and the Building (collectively called, the "Property") on the terms and conditions set out in this Agreement.

**NOW THEREFORE**, in consideration of the entering into of the Lease dated \_\_\_\_\_, 2020 (the "Lease") between the Grantor and the Grantee and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby grants to the Grantee an irrevocable right of first refusal to acquire the Property, or interest therein, on the terms and conditions set out in this Agreement.

1. Should the Landlord, at any time during the Term or any Renewal Term, receive a bona fide offer from a third party or third parties with whom the Landlord is dealing at arm's length (a "Third Party Offer"), to purchase the Property, and the Landlord is prepared to accept the Offer, the Landlord shall immediately notify the Tenant in writing of the Third Party Offer (the "Offer Notice") and provide the Tenant with a true copy thereof. The Tenant shall have the right for a period of thirty (30) days from the date of receipt of the Offer Notice, excluding the day of such receipt (the "Exercise Period") to notify the Landlord in writing that they desire to purchase the Property upon the same terms and conditions as contained in the Third Party Offer. Should the Tenant so notify the Landlord, the Tenant shall be deemed to have agreed to purchase the Property from the Landlord and the Landlord shall be deemed to have agreed to sell the Property upon the terms and conditions contained in the Third Party Offer and such other terms and conditions as are made applicable thereto pursuant to the provisions of this Schedule "B".

2. Should the Tenant fail to notify the Landlord during the Exercise Period of its desire to purchase the Property upon the terms and conditions contained in the Third Party Offer, the Landlord shall be at liberty to complete the sale of the Property to the party or parties who made the Third Party Offer, **PROVIDED THAT**, such sale shall not be completed on terms and conditions which are more favourable to the purchaser than those contained in the Third Party Offer and **PROVIDED FURTHER THAT** should such sale not be completed within three hundred sixty-five (365) days from the date of such expiry, the Landlord's right to complete such sale shall terminate. In such event, the provisions of this Section 2, including this sentence, shall continue to apply mutatis mutandis to any subsequent offer to purchase the Property received by the Landlord from a party or parties with whom the Landlord is dealing at arm's length.
3. The Landlord shall not:
  - (a) accept any offer for the purchase of the Property which requires any form of consideration other than cash in Canadian currency to be paid to the Landlord;
  - (b) accept any offer to purchase the Property from a party or parties with whom the Landlord is not dealing at arm's length;
  - (c) accept any offer to purchase of the Property which is not a bona fide offer; or
  - (d) accept any offer to purchase less than the entirety of the Property.
4. For the purposes hereof, a party or parties shall be deemed not to be dealing with the Landlord at arm's length if such party or parties or any of them is an associate of the Landlord, either directly or indirectly, for the purpose of defeating the intent of this Schedule "B".
5. Should the Tenant agree to purchase the Premises pursuant to the provisions of this Schedule "B" hereof, then the parties hereto shall enter into an agreement of purchase and sale in accordance with the Third Party Offer, which agreement for sale shall set forth the terms of purchase and sale of the Property including purchase price, repayment and calling for a closing, adjustment and possession date of not less than thirty (30) days from the date of acceptance by the Tenant of the Third Party Offer.
6. For absolute certainty, the Grantor shall not permit a disposition (including the conveyance, sale, transfer, assignment, lease or any other disposition whatsoever, either directly or indirectly, of all or any portion of the Grantor's interest in the Property, of its legal or beneficial interest, or both) of the Property to occur until it has first offered the Grantee the right to acquire the interest in the Property on identical terms to a Third Party Offer in accordance with the terms hereof.
7. In case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this agreement, but this agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
8. Any notice, correspondence or communication (each and collectively, a "**Notice**") required to be given shall be sufficiently given if delivered in person addressed to the parties as follows:

To the Grantor:

CMD Properties Inc.,  
4610, 112<sup>th</sup> Avenue, S.E.  
Calgary, AB ,T1Y 7B5  
Attention: Chris Stathonikos  
Email: chriss@carstarcmd.ca

with a copy (which shall not constitute notice) to:

McLeod Law LLP  
300, 14505 Bannister Road SE  
Calgary, AB, T2X 3J3

Attention: Neil Hutton / Jeff Larson  
Email: nhutton@mcleod-law.com and jlarson@mcleod-law.com

To the Grantee:

CMD Holdings Inc.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3A 1G8

Attention: Shane Daerden  
Email: shane@collisionkings.ca

with a copy (which shall not constitute notice) to:

MLT Aikins LLP  
360 Main Street – 30<sup>th</sup> Floor  
Winnipeg, Manitoba  
R3C 4G1

Attention: Steven J. Kohn / Melissa I. Cattini  
Email: skohn@mltaikins.com and mcattini@mltaikins.com

Or to such other address as the Grantor or the Grantee may designate in writing from time to time. Any Notice delivered shall be deemed to have been received on the date of delivery. The parties may at any time hereafter change their address for the giving of any Notice in the manner provided pursuant to this Section 8.

9. This Agreement shall enure to the benefit of and be binding upon the Grantor hereto and its successors and assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands. Provided, however, the covenants contained in this Agreement are personal to the Grantee and cannot be assigned to a third party without the consent of the Landlord, which consent may be withheld for any reason.
10. The Tenant and the Landlord agree that each shall, with reasonable diligence, proceed to take all action and to do all things and to provide all reasonable assurances as may be required to consummate any sale and purchase agreed to hereunder and each party hereto agrees to execute all such documents and

assurances as may be necessary to effect or carry out the terms of this agreement and the provisions of the agreement for purchase and sale, whether prior to or after acceptance.

**THIS IS EXHIBIT "59" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

THIS AGREEMENT made effective as of the day of 4<sup>th</sup> May, 2011.

BETWEEN:

**THE CITY OF CALGARY**

- and -

**STATHKO INVESTMENTS LTD.  
carrying on business as  
CARSTAR CALGARY DOWNTOWN**

**NOW THEREFORE THIS LEASE AGREEMENT WITNESSETH THAT,**  
in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed by it, the Landlord does hereby demise and lease unto the Tenant a portion of the Lands upon the terms, covenants and conditions hereinafter contained.

**1. DEFINITIONS**

1.01 In the Agreement the following words and phrases when capitalized shall have the following meanings:

- (a) "Additional Equipment" means the additional equipment required for the proper operation and maintenance of the Tenant's business;
- (b) "Allowable Substances" means the Hazardous Substances reasonably required for the operation of the Tenant's business, and for no other purposes whatsoever;
- (c) "Applicable Laws" means any statutes, laws, bylaws, regulations, ordinances, Environmental Laws and requirements of governmental and other public authorities having jurisdiction, and all amendments thereto at any time and from time to time;



- (d) "Building" means the building, improvements and any appurtenances thereto located on the Leased Premises;
- (e) "Claim" means any regulatory or civil claim, suit, proceeding, charge, loss, cost, expense, liability, action, demand, debt, fine, penalty, judgment, order, interest, payment, damage or Enforcement Action (including reasonable legal and other professional fees and disbursements);
- (f) "Construction Season" means from May 1, 2010, to November 30, 2010;
- (g) "Enforcement Action" means any complaint, inspection, investigation, direction, instruction, order, sanction, charge, fine, prosecution or other enforcement action which may be issued, filed, imposed or taken by the applicable Government Authorities pursuant to Environmental Laws;
- (h) "Environmental Laws" means all current and future laws, statutes, bylaws and regulations of the Government Authorities relating to the protection of the environment and public health and safety which govern the ownership, charge, management, control, responsibility, or liability for Hazardous Substances, and includes without limitation any rules, policies, procedures, guidelines, interpretations, decisions, approvals, consents, orders and directions of such Government Authorities;
- (i) "Government Authorities" means any federal, provincial or municipal or other governmental body, agency, tribunal or authority having jurisdiction and lawfully empowered to make or impose laws, bylaws, rules or regulations with respect to the Leased Premises, Hazardous Substances, or the parties obligations hereunder;
- (j) "Hazardous Substances" means any hazardous, toxic, deleterious, polluting or contaminating substance, product, material or waste which alone or in combination are defined, listed, prohibited, controlled or otherwise regulated by Government Authorities, or which could cause harm, adverse effects or impacts, degradation, impairment, or damage to the environment or any of its constituent components, or to human health or safety;
- (k) "Landlord" means The City of Calgary;
- (l) "Lands" means those lands legally described as:

PLAN 9211838  
BLOCK 45  
LOT 1  
EXCEPTING THEREOUT:

PLAN            NUMBER    HECTARES   ACRES (MORE OR LESS)  
SUBDIVISION    9412695    0.097       0.34  
EXCEPTING THEREOUT ALL MINES AND MINERALS

and municipally known as 1407 – 9<sup>th</sup> Avenue S.W., Calgary, Alberta;

- (m) "Lease" means this lease, all attached schedules and any subsequent amendments hereto;
- (n) "Leased Premises" means the leased premises as defined in Section 2.01;
- (o) "Occurrence" means the use, release, spill, discharge or escape of a Hazardous Substances in, on or upon the Leased Premises, contrary to Environmental Laws or which harms, adversely effects, impacts, degrades, impairs or damages the environment or any of its constituent components, human health of safety or the Leased Premises;
- (p) "Renewal Term" means the renewal term as set out in Section 2.03;
- (q) "Rent" means the amount payable by the Tenant to the Landlord under Section 3.01;
- (r) "Tenant" means Stathko Investments Ltd., carrying on business as Carstar Calgary Downtown;
- (s) "Term" means a term commencing on the 1<sup>st</sup> day of May, 2010, and expiring on the 30<sup>th</sup> day of September 2020; and
- (t) "West LRT" means the west leg of The City of Calgary's light rail transit line project;

## **2. DEMISE, TERM, RENEWAL AND TERMINATION**

2.01            The leased premises shall consist of that portion of the Lands below ONE THOUSAND FIFTY EIGHT (1,058m) METERS above sea level, comprising TWENTY SEVEN THOUSAND SIX HUNDRED SEVENTY FIVE (27,675 sq.ft.) SQUARE FEET, which includes the Building but excludes the location of any pier required for the West LRT, as more particularly shown on the site plan in Schedule "B" attached hereto.

2.02 The Landlord does hereby demise and lease unto the Tenant the Leased Premises to be held by the Tenant for the Term for the purposes set out herein and subject to the provisions with respect to termination hereinafter contained.

2.03 Provided that the Landlord does not require the Leased Premises or any portion thereof for municipal purposes (which determination shall be made in the sole and unfettered discretion of the Landlord), and further provided that the Tenant shall have duly and regularly performed each and every of the terms, covenants and conditions herein contained, or having been in default thereof shall have promptly made good such default, the Tenant, upon written notice to the Landlord given no earlier than TWELVE (12) MONTHS and no later than SIX (6) MONTHS prior to the expiry of the Term may renew and extend the Term for a further period of FIVE (5) YEARS commencing the 1st day of October, 2020, upon the terms, covenants and conditions herein contained save and except any further right to renew the Lease and save and except the fee payable during any such renewal and extension, which shall be established pursuant to Sections 3.03 and 3.04 of the Lease.

### **3. RENT AND SECURITY DEPOSIT**

3.01 Throughout the Term of the Lease, the Tenant agrees to pay as rent to the Landlord for the Leased Premises, without deduction or set-off, the following:

May 1, 2010 – 30 Sept, 2010 - \$ 4,901 + GST  
Oct 1, 2010 – 30 Nov 2010 - \$5,097.04 + GST  
Dec 1, 2010 – 30 Sep 2011 - \$10,194.08 + GST  
Oct 1, 2011 – 30 Sep 2012 - \$10,601.84 + GST  
Oct 1, 2012 – 30 Sep 2013 - \$11,025.91 + GST  
Oct 1, 2013 – 30 Sep 2014 - \$11,466.95 + GST  
Oct 1, 2014 – 30 Sep 2015 - \$11,925.63 + GST  
Oct 1, 2015 – 30 Sep 2016 - \$12,402.65 + GST  
Oct 1, 2016 – 30 Sep 2017 - \$12,898.76 + GST  
Oct 1, 2017 – 30 Sep 2018 - \$13,414.70 + GST  
Oct 1, 2018 – 30 Sep 2019 - \$13,951.20 + GST  
Oct 1, 2019 – 30 Sep 2020 - \$14,509.20 + GST

payable in advance in equal monthly instalments on the 1st day of each and every month during the Term of the Lease. The Tenant agrees to pay rent on a prorated basis for any period of occupancy lasting less than ONE (1) MONTH.

3.02 The Tenant agrees to pay to the Landlord on or before the date of execution of the Lease, a security deposit in the sum NINETEEN THOUSAND SIX HUNDRED AND FOUR (\$19,604.00) DOLLARS. The security deposit shall not bear any interest and shall be refunded to the Tenant upon expiry of the Lease, subject to all terms and conditions of the Lease having been adhered to and the Leased Premises rendered vacant by the Tenant in a condition satisfactory to the Landlord, such determination to be made by the Landlord in its sole and unfettered discretion.

3.03 In the event the herein Lease is renewed or extended in accordance with Section 2.03 of the Lease, the annual rent payable by the Tenant to the Landlord shall be established by the Manager, Land, Corporate Properties & Buildings for the Landlord having regard to the then current market conditions for similar premises (the "Renewal Rate"), and in no event shall the Renewal Rate be less than the Rent payable in the immediately preceding year. The Landlord agrees that the Tenant shall be given a minimum of NINETY (90) DAYS notice in writing prior to the expiry of the Term of the Renewal Rate payable during such renewal or extension and the Tenant shall have a period of FIFTEEN (15) DAYS following receipt of such notice to accept or reject the Landlord's establishment of the Renewal Rate payable failing which the Tenant shall be deemed to have accepted the Landlord's establishment of such Renewal Rate. In the event that the Tenant shall reject the Landlord's establishment of such Renewal Rate, the rent shall be established pursuant to Section 3.05.

3.04 The Renewal Rate shall be payable in advance in equal monthly instalments by the Tenant to the Landlord as rent for the Leased Premises without deduction, set-off or abatement whatsoever, commencing on the 1st day of October, 2020, and continuing thereafter on the 1st day of each and every month during the

continuance of the Lease. The Tenant agrees to pay rent on a prorated basis for any period of occupancy lasting less than ONE (1) MONTH.

3.05 In the event the Landlord and Tenant are unable to agree on the Renewal Rate, then the parties shall:

- (a) proceed pursuant to the *Arbitration Act* (Alberta) and the Renewal Rate shall be determined by an independent and qualified arbitrator, to be mutually agreed upon by both parties, (who shall, without limitation, be knowledgeable in respect of leasing and other real estate matters in the market in which the Leased Premises is located) at least SIXTY (60) DAYS before the expiration of the Lease. If the parties cannot agree on the appointment of an arbitrator, either party may apply to the Court in accordance with the provision of the *Arbitration Act* (Alberta). Provided further that notwithstanding anything contained herein, the Renewal Rate payable pursuant to the Lease whether established by the Landlord or by arbitration, as the case may be, shall in no event be less than the Rent payable in the immediately preceding year. The Tenant and the Landlord agree that they shall each respectively be responsible for and shall pay for one-half ( $\frac{1}{2}$ ) of the actual cost and expenses incurred with respect to the arbitration, or any manner of dispute resolution which has been mutually agreed upon by the parties, in writing; and
- (b) if the Renewal Rate has not been determined prior to the start of the Renewal Term then from and after the first day of the Renewal Term the Tenant shall pay the Rent which the Landlord sets forth as reflecting the Renewal Rate and, upon such determination, the parties shall make any necessary adjustments including any overpayments from the date paid or any underpayments from the date such would have been payable had the Renewal Rate been determined prior to the start of the Renewal Term.

3.06 It is the intention of the Lease that the Rent herein reserved to the Landlord shall be completely net to the Landlord and all expenses, costs, payments, and outgoings incurred in respect of the Leased Premises shall, unless expressly stipulated herein to the contrary, be borne by the Tenant so that the Rent herein reserved shall be absolutely net to the Landlord free of all abatement, set-off or deduction for realty taxes, charges, rates, assessments, expenses, costs, payments, utility costs or outgoings of every nature whatsoever arising from or relating to the Leased Premises and their use by the Tenant, and the Tenant shall pay all such taxes, charges, rates, assessments, expenses, costs, payments, utility costs and outgoings.

3.07 The Tenant shall pay the Rent herein reserved in the amounts and at the times provided herein together with all other amounts required to be paid by the Tenant to the Landlord by the Lease, addressed to The City of Calgary, Corporate Properties & Buildings, #8052, Calgary Municipal Building, 12th Floor, 800 Macleod Trail S.E., Calgary, Alberta, T2G 2M3, or such other places as the Landlord may designate in writing from time to time.

#### **4. USE OF LEASED PREMISES**

4.01 The Tenant covenants and agrees that the Leased Premises shall only be used for an auto body repair and collision shop purposes and for no other purpose whatsoever.

4.02 The Tenant shall not carry on or permit any person to carry on upon the Leased Premises any noisome or offensive trade, business, occupation or activity which may constitute a nuisance or annoyance or cause damage or inconvenience to the owners or occupiers of neighbouring lands or premises.

4.03 The Tenant shall not commit, permit or allow any waste or injury to the Leased Premises or any part thereof and shall not use or occupy or permit to be used or occupied the Leased Premises or any part thereof for any illegal or unlawful purpose or in any manner which would result in the cancellation of any insurance or in the refusal of any insurer to issue any insurance as requested.

#### **5. INDEMNITY AND INSURANCE**

5.01 The Tenant shall at its sole cost and expense, throughout the continuance of the Lease, maintain or have maintained with an insurance company satisfactory to

the City Solicitor and allowed by the laws of the Province of Alberta to provide insurance in the Province of Alberta:

- (a) a Commercial General Liability ("CGL") insurance policy for bodily injury (including death) and property damage in an amount of not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive limit for any one occurrence and shall confirm endorsements attesting that:
  - (i) the Landlord is included as an additional insured under the policy;
  - (ii) a cross liability clause is included;
  - (iii) products and completed operations coverage;
  - (iv) the policy extends to cover the Tenant's contractual obligations during the term of the Lease; and
- (b) an all risk property insurance policy in an amount that is sufficient to cover, on a replacement cost basis, the Building, as well as all property owned by the Tenant (including all equipment, furniture and improvements);
- (c) during the term of any construction (and until work is completed and accepted by the Landlord) of the improvements on the Lands, a contractor's Commercial General Liability insurance policy for bodily injury (including death) and property damage in an amount of not less than FIVE MILLION (\$5,000,000.00) DOLLARS inclusive limit for any one occurrence, including products and completed operations coverage, contractual liability coverage and a cross liability clause and the Landlord as an additional insured;

5.02 The Tenant may obtain an umbrella liability policy in sufficient limits and amounts to help satisfy the insurance requirements in Sections 5.01(a) and (b).

5.03 The insurance policies mentioned in Section 5.01 shall include provision for the Landlord to be given THIRTY (30) DAYS written notice prior to cancellation or material change that may limit the coverage of the policies of insurance and the Landlord is to be notified immediately should the policies of insurance lapse or otherwise be discontinued.

5.04 The Tenant shall provide certificates of insurance for the insurance policies mentioned in Section 5.01 to the Landlord on or before the commencement date of the Lease and shall furnish documentary evidence satisfactory to the Landlord of the renewal or continuance of such insurance policy at or before the expiry date or dates thereof.

5.05 In the event that the Tenant fails to provide to the Landlord any of the documents mentioned in Section 5.01 or otherwise fails to provide to the Landlord any evidence of the existence of any required insurance or to maintain any such insurance, the Landlord shall have the right to place, at its sole discretion and at the sole cost and expense of the Tenant, any required insurance coverage or to pay any arrears of premiums and any expense incurred by the Landlord in this regard shall be reimbursed to it by the Tenant.

5.06 The Tenant, and not the Landlord, shall be responsible for any deductible that may apply in the aforementioned insurance policies.

5.07 The Tenant hereby releases the Landlord, its successors and assigns, from any and all liability for loss or damage caused by any of the perils against which the Tenant shall have insured or, pursuant to the terms of the Lease, is obligated to insure the Lands and the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord from and against all manner of actions, causes of action, suits, damages, losses, costs, claims, and demands of any nature whatsoever relating to such loss or damage, excepting only any actions which may arise:

- (a) from the negligent operation of the West LRT by the Landlord, its officers, employees or agents; or
- (b) the construction of the West LRT on the Leased Premises.



5.08 The Tenant covenants and agrees that the Landlord's insurance requirements mentioned in Section 5.01 will not be construed to and will in no manner limit or restrict the liability of the Tenant.

5.09 Insurance monies realized from any property policy of insurance required by the Lease shall be used:

- (a) to repair or rebuild the property insured; or
- (b) for such purposes as the Tenant and the Landlord mutually agree.

5.10 The Tenant, recognizing that the type, form and amount of insurance provided for herein is based upon the intention of insuring the Leased Premises and any buildings or structures erected thereupon at all times during the continuance of the Lease to an extent which prudent businessmen acting reasonably in the circumstances would consider appropriate having regard to cost and availability, agrees that the Landlord may at least every year during the continuance of the Lease stipulate for a new type, form and/or amount of insurance.

## **6. RIGHT OF ENTRY**

6.01 During the course of the Construction Season, the Tenant shall permit the Landlord, its officers, employees, agents, contractors, and sub-contractors to enter onto the Leased Premises at all times to construct the West LRT on the Leased Premises. Prior to exercising any rights pursuant to this Section 6.01, the Landlord shall provide the Tenant written notice of the Landlord's intention to access the Lands not less than TWENTY FOUR (24) HOURS prior to such proposed access. This written notice shall also include an estimate of the number of days that the Landlord will require access to the Lands.

6.02 The Tenant acknowledges and agrees that at any time prior to or during the Term the Landlord may register a caveat, easement or any instrument necessary on

title allowing the Landlord, its officers, employees, agents, contractors, and sub-contractors to enter onto the Lands to maintain, monitor, inspect, paint, repair, remove, erect, reconstruct, and alter any portion of the West LRT or structures ancillary thereto which lie on or above the Lands.

6.03 The Tenant and Landlord acknowledge and agree that the Lease will be subject to any caveat, easement or instrument(s) that shall be registered in accordance with Section 6.02. In the event that the Tenant has registered a caveat in respect of the Lease pursuant to Section 11.04 herein, the parties agree to execute and register at the Land Titles Office a postponement of the Lease caveat to the caveat, easement, or instrument(s) described in Section 6.02 above. The Landlord shall prepare and register such postponement at its sole cost and expense.

6.04 In the event the rights granted pursuant to the caveat, easement or instrument in Section 6.02 negatively impairs the Tenant's operations on the Leased Premises or rights under the Lease, the Tenant and Landlord agree to adjust the Rent based on the impact, if any, of the caveat, easement or instrument on the fair market value of the Leased Premises. If the parties are unable to agree to an adjusted Rent, the Rent shall be established pursuant to the same arbitration procedures outlined Section 3.05.

## **7. TENANT'S COVENANTS**

7.01 The Tenant covenants and agrees during the Term of the Lease and any renewal or extension thereof:

- (a) to promptly pay the Rent herein reserved to the Landlord at the time and in the manner hereinbefore mentioned without deduction, set-off or abatement whatsoever and to keep and perform and to permit no violation of the terms, covenants and conditions herein contained on the part or on behalf of the Tenant to be kept and performed;

- (b) to pay or cause to be paid directly to any government authority entitled to receive the same and discharge as the same becomes due, to the extent that the same are or can become a lien against the Lands and any improvements thereon, or charged to the Landlord, all taxes (including taxes for local improvements), rates, duties and assessments that may be imposed, levied, rated, charged or assessed against the Lands and any improvements thereon and all goods, chattels or facilities thereof owned or brought thereon by the Tenant and each of its tenants or anyone claiming under or through the Tenant and every tax, charge and license fee in respect of any and every business carried on thereon or in respect of the use and occupancy of the Lands and improvements thereon, or any part thereof by the Tenant, whether such taxes, rates, duties, assessments, license fees or other charges are imposed, levied, rated, charged or assessed by any federal, provincial, municipal, metropolitan or other body and all other charges in respect of the Lands and any improvements thereon;
- (c) in the event the Lands are subject to assessment, the Tenant shall arrange for the Lands to be included in the Landlord's Tax Installment Payment Plan (T.I.P.P.) and pay all amounts levied in respect of the Leased Premises as and when required by T.I.P.P.;
- (d) to indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from all such taxes, rates, duties, assessments, license fees or other charges and any and all taxes which may in future be levied in lieu of such taxes, and any such losses, costs, charges and expenses suffered by the Landlord may be collected by the Landlord as Rent with all rights of distress and otherwise reserved to the Landlord in respect of Rent in arrears;
- (e) the Tenant shall have the right and privilege of appealing assessments or applying for a reduction of the amount of any taxes, rates, levies and assessments in respect of the Lands and any improvements thereon and may take such action in its own name or, if required, and upon agreeing to indemnify the Landlord in respect of such action and all costs relating thereto, in the name of the Landlord and the Landlord hereby agrees to join in such proceedings. The Tenant agrees to give to the Landlord notice of the commencement of any such proceedings and to prosecute them with all due diligence and speed. Upon the Landlord receiving any assessment notices relating to the Lands and any improvements thereon, it shall forthwith send a copy thereof to the Tenant;
- (f) not to make or permit to be made any repairs, replacements, alterations, additions, changes, substitutions, or improvements to the Leased

Premises without first having obtained the written consent of the Landlord which consent shall not be unreasonably withheld provided that the Tenant shall have fully complied with the terms, covenants and conditions herein contained;

- (g) the Tenant shall, prior to commencing any work, submit or cause to be submitted to the Landlord copies of detailed drawings, elevations (where applicable), specifications (including materials to be used), and cost estimates of such proposed repairs, replacements, alterations, additions, changes, substitutions, or improvements, all of which shall meet the requirements of all municipal, provincial and federal bylaws, statutes and regulations; and
- (h) to apply for and obtain those necessary licenses, permits, approvals and authorizations as may be required by all municipal, provincial and federal bylaws, statutes and regulations prior to commencement, if any, of repairs, replacements, alterations, additions, changes, substitutions, or improvements to the Leased Premises and to thereafter prosecute to completion any such repairs, replacements, alterations, changes, substitutions, or improvements in accordance therewith and in a diligent, substantial and workmanlike manner free and clear of any and all builders' liens or other liens, conditional sales contracts, chattel mortgages or similar claims or encumbrances against the Leased Premises or the Lands for work or materials supplied to or on behalf of the Tenant and shall do no act which will encumber the title to the Leased Premises.

7.02 The Tenant shall at its own cost and expense during the Term of the Lease and any renewal or extension thereof:

- (a) put and keep the Leased Premises in a tidy, clean and sanitary condition and shall observe all rules, regulations, and directions of building inspectors, health, fire or other officers of any Government Authorities, and agencies or departments of the Landlord relating to cleanliness, sanitation, garbage, and maintenance of the Leased Premises; and
- (b) maintain in good working order and condition, or shall cause to be maintained in good working order and condition the Leased Premises together with the facilities, appurtenances, machinery and equipment thereof including without limitation the floors, walls, ceilings, elevators, stairs and similar devices, heating and air conditioning equipment, water, steam, gas and electric pipe, conduits, sinks, baths, fixtures and apparatus of all kinds upon the Leased Premises in the same manner and to the same extent as would a careful and prudent owner. Without limiting the generality of the foregoing, the Tenant shall at its own cost and expense during the Term of the Lease protect all heating apparatus, water

and drain pipes, water closets, faucets, baths and accessories thereto on the Leased Premises from frost and cold weather and keep same free at all times from uncleanness or obstruction that may prevent the free and proper working thereof and bear the repairs necessary or expedient to keep them in efficient working order during the Term of the Lease.

7.03 The Tenant agrees to permit the Landlord, its officers, employees and agents, at all reasonable times during the Tenant's normal business hours, to enter upon the Leased Premises for the purpose of examining the condition of same and the Landlord may serve upon the Tenant a notice in writing specifying the repairs necessary to be done and requiring the Tenant to execute same if under the Lease they are the responsibility of the Tenant, and if the Tenant shall not within TEN (10) DAYS of service of such notice proceed diligently to execute such repairs then the Tenant shall permit the Landlord or its officers, employees and agents, to enter the Leased Premises and to execute such repairs on behalf of and at the expense of the Tenant and the cost thereof shall be deemed to be Rent in arrears and the Landlord may, in addition to any other remedy for the recovery of same, distrain for the amount thereof as Rent in arrears.

7.04 The Tenant shall be responsible for any damage to the Leased Premises that may occur during the Term of the Lease other than damage caused by or arising from:

- (a) the gross negligence or the wilful misconduct of the Landlord, its officers, employees or agents;
- (b) the negligent operation of the West LRT by the Landlord, its officers, employees or agents; or
- (c) the construction of the West LRT on the Leased Premises.

7.05 The Tenant covenants and agrees during the Term of the Lease to comply with the requirements of all applicable statutes, laws, bylaws, and regulations pertaining to the Leased Premises and the use and occupancy thereof.

7.06 The Tenant shall not abuse, misuse or damage the Leased Premises or permit, to the extent which is within its reasonable power, the same to be abused, misused or damaged in any way.

7.07 The Tenant further covenants and agrees:

- (a) to permit the Landlord or its officers, employees and agents to enter upon and to examine the Leased Premises during normal business hours during the Term of the Lease and to place upon the Leased Premises a notice, of reasonable dimensions and reasonably placed so as not to interfere with the business of the Tenant, stating that the Lands and the Leased Premises are for sale or lease, which notice the Tenant shall not remove or obscure or permit to be removed or obscured in any way;
- (b) not to install or place signs, advertisements or notices upon any part of the Leased Premises whatsoever, unless of such colour, size and style and in such places upon the Leased Premises as shall have first been consented to and approved by the Landlord in writing. The Tenant, on or before the expiry or earlier termination of the Lease, will cause any such signs, advertisements or notices to be removed and shall repair any damage occasioned by the installation or removal of such signs, advertisements or notices, all at its sole cost and expense;
- (c) to abide by and conform to all reasonable rules and regulations adopted or prescribed by the Landlord and communicated in writing to the Tenant from time to time during the Term of the Lease relating to the government and management of the Lands and the use and occupation of the Leased Premises by the Tenant. Any matters not herein expressly provided for shall be in the sole discretion of the Landlord and when communicated in writing to the Tenant shall be final and binding; and
- (d) upon expiry or earlier termination of the Lease to quit and surrender up the Leased Premises to the Landlord in good repair and in a neat and clean condition, free and clear of all waste material, debris and rubbish, all to the reasonable satisfaction of the Landlord.

## 8. ENVIRONMENTAL

8.01 The Tenant will not bring onto, store, use, handle, prepare, or produce on the Leased Premises nor allow or cause the Leased Premises or any part of it to be used for any business which, either directly or indirectly, involves the storage, use, handling, preparation, or production of any Hazardous Substances without the consent of the Landlord, which may be unreasonably withheld.

8.02 In the event of an Occurrence the Tenant shall, at its own cost and expense:

- (a) immediately notify the applicable Government Authorities of the Occurrence subject to and in accordance with Environmental Laws;
- (b) immediately notify the Landlord of the Occurrence and thereafter from time to time notify the Landlord of the steps and measures taken by the Tenant to comply with the provisions of this section and the requirements of the applicable Government Authorities and Environmental Laws. The Tenant shall, at its own risk, cost and expense, retain consultants and contractors, prepare all reports, studies, plans and proposals, obtain all approvals, provide all bonds and other security and undertake such works and other measures as may be required by the applicable Government Authorities and Environmental Laws to address an Occurrence. The Tenant shall keep the Landlord fully informed of all steps and measures taken to address an Occurrence and provide such additional information regarding such steps and measures as may be reasonably requested by the Landlord;
- (c) promptly contain and confine the effects of the Occurrence and then remove, remediate, manage or dispose of any Hazardous Substances and then restore the Leased Premises, environment and any of its constituent parts all subject to and in accordance with the requirements of the applicable Government Authorities and Environmental Laws and the reasonable requirements of the Landlord; and
- (d) remedy any damage to the Leased Premises resulting from the Occurrence as may be reasonably required by the Landlord.

If requested by the Landlord, the Tenant shall at its sole risk, cost and expense obtain and provide to the Landlord a report from an independent qualified consultant

designated or approved by the Landlord verifying that the Occurrence has been addressed subject to and in accordance with the requirements of the applicable Government Authorities, Environmental Laws, the provisions of this Section 8.02 and the reasonable requirements of the Landlord.

8.03 The Tenant shall immediately notify the Landlord of any Enforcement Action commenced, threatened or contemplated.

8.04 Notwithstanding Section 8.01, the Tenant may bring, store, use, handle, prepare, or produce the Allowable Substances listed in Schedule "A" on the Leased Premises. The Landlord hereby consents to the bringing, storage, usage, handling, preparation and production of the Allowable Substances listed in Schedule "A" on the Leased Premises. The Tenant acknowledges and agrees that the Landlord's consent in this Section 8.04 does not release the Tenant from its obligations pursuant to Sections 8.02, 8.03, 8.05, 8.06, 8.07, 8.08, 8.09 and 8.11 herein.

8.05 The Landlord and Tenant acknowledge and agree that the Allowable Substances currently being used by the Tenant in the Leased Premises are contained in Schedule "A" attached hereto.

8.06 The Tenant may, acting reasonably, add or remove Allowable Substances from Schedule "A" no more than TWO (2) times per year and shall notify the Landlord within FIFTEEN (15) Business Days of such amendments.

8.07 For any Allowable Substances the Tenant brings, stores or uses, handles, prepares or produces on the Leased Premises, the Tenant shall:

- (a) strictly comply with the requirements of the applicable Government Authorities and Environmental Laws respecting the Allowable Substances and provide proof of the Tenant's compliance with such requirements and may be reasonably requested by the Landlord;
- (b) promptly submit copies of any approvals, reporting or other regulatory requirements of the applicable Government Authorities and Environmental Laws respecting the Allowable Substances; and



- (c) notwithstanding any rule of law to the contrary, such Allowable Substances shall be and remain the sole and exclusive property and responsibility of the Tenant and shall not become the property or responsibility of the Landlord notwithstanding the degree of affixation to the Leased Premises of the Allowable Substances or the goods containing the Allowable Substances, and notwithstanding the expiry or earlier termination of the Lease.

8.08 The Tenant hereby authorizes the Landlord to make enquiries from time to time of the applicable Government Authorities with respect to the Tenant's compliance with the applicable Government Authorities and Environmental Laws including, without limitation, requirements pertaining to the Allowable Substances; and the Tenant covenants and agrees that it shall from time to time provide to the Landlord such written authorization as the Landlord may reasonably require in order to facilitate the obtaining of such information.

8.09 In the event any Governmental Authorities request or require the Landlord to conduct any environmental testing on, over or under the Lands pursuant to any Environmental Laws, the Tenant shall permit the Landlord, its officers, employees, agents, contractors, and sub-contractors to enter onto the Leased Premises to conduct such environmental testing.

8.10 Should any environmental testing conducted by the Landlord, its officers, employees, agents, contractors, and sub-contractors, pursuant to Section 8.09, negatively impair the Tenant's operations on the Leased Premises or rights under the Lease, the Tenant and Landlord agree to decrease the Rent owing for the term of the negative impairment.

8.11 The Tenant shall indemnify, defend and hold harmless the Landlord, its employees, agents, contractors, and sub-contractors from and against all Claims arising out of or in any way connected with any Occurrence that occurs during the Term, or during any renewal thereof, or from the Tenant's failure to comply with the provisions of this Section 8. The Tenant shall further indemnify, defend and hold harmless the

Landlord, its employees, agents, contractors, sub-contractors from and against all claims arising out of or in any way connected with the offsite migration of an Occurrence to land adjoining the Leased Premises that occurs during the Term, or during any renewal thereof.

## 9. DEFAULT

9.01 Any of the following occurrences or acts shall constitute an event of default by the Tenant under the Lease:

- (a) failure to pay Rent or any part thereof, or any other sum required to be paid by the Tenant for THIRTY (30) DAYS after the due date for payment of same, or demand therefore has been made to the Tenant by the Landlord as the case may be;
- (b) non-performance or non-observance by the Tenant of any of its other covenants, agreements or obligations hereunder, express or implied, continuing for THIRTY (30) DAYS after the Landlord shall have given to the Tenant notice in writing specifying such failure or, in the case of a failure which cannot with diligence be cured within such THIRTY (30) DAY period, if the Tenant shall not promptly proceed to cure the same and thereafter prosecute such curing with diligence, it being intended in connection with a failure not capable of being cured within such THIRTY (30) DAY period that the time within which the Tenant shall have to cure the same shall be extended for such period as may be reasonably necessary to cure the same with diligence;
- (c) failure to promptly and faithfully comply with the directions, rules and regulations of the Landlord within a reasonable time of the Tenant having received such directions, rules and regulations during the Term of the Lease;
- (d) execution or attachment of the leasehold interest of the Tenant or any of the goods and chattels, improvements or fixtures erected or placed by the Tenant upon the Leased Premises at any time during the Term of the Lease by a creditor of the Tenant;
- (e) insolvency or bankruptcy or voluntary submission as a debtor to the provisions of the *Winding Up Act*, the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act*, their successors or replacements, or other law for the reorganization, arrangement, composition, relief or aid

of debtors or voluntary liquidation or consent to the appointment of a receiver or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency; or

- (f) the appointment of a liquidator or a receiver or a trustee in bankruptcy for the Tenant under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* or any law of Canada or any province thereof relating to bankruptcy or insolvency if such appointment is not vacated or terminated within THIRTY (30) DAYS or stayed on appeal.

9.02 In the event of failure or default as defined in Section 9.01, the Landlord may terminate the Lease whereupon these presents and everything contained herein and the estate and Term hereby granted shall absolutely cease without any re-entry or any other act or suit or legal proceedings being brought or taken provided that the Landlord shall nevertheless be entitled to recover from the Tenant the Rent then accrued and any other monies then owing and moreover that any right of action by the Landlord against the Tenant in respect of any antecedent breach of the covenants, provisos, stipulations or conditions in the Lease which have not been waived by the Landlord shall not by the termination of the Lease be prejudiced.

9.03 If the Landlord brings an action to recover possession of the Leased Premises or to recover Rent or other money due under the Lease and the action is successful, or if because of the breach of any other term, covenant or condition on the part of the Tenant to be kept or performed a breach is established by agreement with the Tenant or in a court of competent jurisdiction, the Tenant will pay to the Landlord all expenses incurred therefore, including an amount representing solicitors' fees and disbursements on a solicitor-client basis.

9.04 In the event of failure or default as defined in Section 9.01, the Landlord, in addition to any other of its rights under the Lease, may accelerate the Rent then due or accruing due and the next ensuing THREE (3) MONTHS Rent shall be immediately due and payable and in each case such accelerated Rent shall be recoverable by the

Landlord in the same manner as the Rent hereby reserved as if the Rent were in arrears.

9.05 If the Tenant fails to perform any of the covenants or obligations of the Tenant under the Lease, the Landlord, in addition to any of its other rights under the Lease, may from time to time perform or cause to be performed any of these covenants or obligations and for that purpose may do such things as may be requisite, including, without limitation, entering upon the Leased Premises on not less than TEN (10) DAYS notice to the Tenant or without notice in the case of any emergency and doing such things upon or in respect of the Leased Premises as may be reasonably requisite and all expenditures made by or on behalf of the Landlord under this Section 9.05 will be paid by the Tenant to the Landlord upon presentation of a bill therefore and shall be deemed to be Rent in arrears and the Landlord, in addition to any other remedy it may have for the recovery of same, may distrain for the amount thereof as Rent in arrears. The Landlord will have no liability to the Tenant for loss or damage resulting from such action by the Landlord.

9.06 All amounts payable pursuant to the Lease shall be deemed to be Rent and shall be collectible in the same manner as Rent in arrears. Any Rent or amounts deemed to be rent pursuant to the Lease shall be deemed to accrue from month to month and shall be added to each ensuing month's Rent until paid.

9.07 In every case where the Tenant shall fail to pay the Rent or any other amount required to be paid by the Tenant to the Landlord pursuant to the terms of the Lease when due, the Tenant shall pay interest on any unpaid Rent, amount or deficiency at the prime rate of interest charged by The Royal Bank of Canada, on the date of default plus THREE (3%) PERCENT per annum on the unpaid Rent,, amount or deficiency from the date it was properly due until paid. Whenever such interest is calculated over a period in excess of ONE (1) YEAR, it shall be compounded annually.

## 10. LANDLORD'S COVENANTS

10.01 The Landlord covenants with the Tenant, upon the Tenant paying the Rent hereby reserved at the times and in the manner aforesaid and observing and performing each and every of the terms, covenants and conditions to be observed and performed by it, for quiet enjoyment of the Leased Premises during the Term of the Lease without any interruption or disturbance from the Landlord or any other person or persons lawfully claiming by, for or under the Landlord.

10.02 The Landlord further covenants and agrees that the Tenant may, subject to the terms of the Lease, at any time and at its sole cost and expense, paint, and decorate the Leased Premises and install partitions and make such other changes, alterations, additions, and improvements in and to the Leased Premises or to the heating and air conditioning equipment, if any, as will better adapt the Leased Premises for the purposes of the Tenant's business, provided that the Landlord may at the expiry or earlier termination of the Lease or pursuant to Section 9, require the Tenant to remove such alterations, additions and improvements including the Tenant's trade fixtures, and restore the Leased Premises to the same state of repair and condition, reasonable wear and tear excepted, as they were at the commencement of the Lease. Provided, however, that if the Landlord desires such alterations, additions, or improvements to remain at the expiry or termination of the Lease, then in such case, they shall become the property of the Landlord without any compensation or indemnity being allowed to the Tenant therefore.

10.03 Notwithstanding Section 10.02, any Additional Equipment installed or added to the Leased Premises shall at all times be and remain the exclusive property of the Tenant and shall be regarded as personal or moveable property regardless of the manner in which it may be attached to the Leased Premises. The Tenant agrees to install the Additional Equipment in a manner which will permit its removal without

material injury to the place of installation and agrees to be responsible for any damage done to the Leased Premises as a result of such installation and removal.

10.04 The Landlord further covenants to indemnify the Tenant against all liabilities and damages, including damage to the contents of the Building, caused by the Landlord, its agents, employees, contractors and subcontractors during construction of the West LRT on the Leased Premises.

10.05 The Landlord further covenants and agrees to maintain the Building in accordance with the terms and conditions of the Lease and to keep the structure of the Building in good and substantial repair and to be responsible for such major structural, mechanical and electrical repairs as it, in its sole discretion, deems necessary.

10.06 Both the Landlord and Tenant acknowledge and agree that as of the date of execution of the Lease, the roof of the Building is in need of certain repairs. Within a reasonable amount of time following execution of the Lease, the Landlord shall repair the roof to a commercially reasonable standard for a building of like age and design of the Building having regards the permitted use of the Leased Premises contained in Section 4.01 herein.

10.07 Other than as expressly provided for herein the Landlord shall not be required to maintain, repair, rebuild or make alterations, replacements or renewals of any nature to the Leased Premises in the case of damage thereto or destruction thereof or otherwise. The Tenant expressly waives any right to maintain, repair and rebuild the Leased Premises at the expense of the Landlord which may be provided for by law or otherwise.

10.08 The Landlord hereby represents and warrants that it is the registered owner of the Lands as of the demise herein subject only to the reservations and exceptions contained in and endorsed upon the existing Certificate of Title and any reservations or exceptions contained in the original grant thereof from the Crown.

## 11. GENERAL PROVISIONS

11.01 The Tenant shall not transfer, assign or sublet the Lease in whole or in part without the consent in writing of the Landlord which consent may be arbitrarily withheld. Except with the express consent of the Landlord, no permitted transfer, assignment or subletting by the Tenant shall relieve the Tenant of any of its obligations to the Landlord under the Lease.

11.02 Notwithstanding Section 11.01, and provided the Tenant is not in default, the Tenant shall have the right, on giving TWENTY (20) Business Days written notice to the Landlord, but without being required to obtain the Landlord's consent, to effect a transfer or assignment to an entity which is an affiliate (as that term is defined as of the date of the Lease in the *Business Corporations Act* (Alberta) of the original named Tenant, and only for so long as it remains an affiliate of such original named Tenant.

11.03 No assignment of the Lease shall be valid unless the assignee shall expressly covenant and agree with the Landlord to perform and observe all of the Tenant's covenants under the Lease and unless the assignment is for the Tenant's entire estate, right, title and interest in the Lease. Except with the express consent of the Landlord, no permitted assignment by the Tenant shall relieve the Tenant of any of its obligations to the Landlord under the Lease.

11.04 Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register the Lease against the Lands. The Tenant may prepare and register on title to the Lands a caveat protecting the Tenant's rights and interests in respect of the Lease, provided that:

- (a) a copy of the Lease is not attached;
- (b) such caveat shall describe only the parties, the Leased Premises, the Term and any renewals and nothing else whatsoever; and

- (c) the Landlord gives its prior written approval to the caveat.

Upon expiry or termination of the Lease, the Tenant shall immediately, at its sole cost and expense, remove or discharge any such caveat. If any part of the Lands are made subject to any easement, right-of-way or similar right, the Tenant shall immediately at the request of the Landlord postpone its registered interest to such easement, right-of-way or similar right.

11.05 Notwithstanding anything herein contained:

- (a) neither party shall be in default with respect to the performance of any of the terms of the Lease if any non-performance is due to any strike, lock-out, labour dispute, civil commotion, acts of terrorism, riots, war or similar event, invasion, the exercise of military power, act of God, government regulations or controls, inability to obtain any material or service, failure by the Landlord to complete the Building, or any cause beyond the control of the party relying on this section (other than lack of or inability to obtain financial resources by such party) (the "Force Majeure Event"); and
- (b) if either party hereto is delayed or hindered in or prevented from the performance of an act or compliance with a covenant required hereunder by reason of a Force Majeure Event, the performance of the act will be excused for the period of the delay and the period for the performance of an act will be extended for a period equivalent to the period of the delay. The provisions of this Section 11.04 do not cancel, or postpone or delay the due date of a payment to be made by the Tenant hereunder or operate to excuse the Tenant from prompt payment of the Rent or any other fees required by the terms of the Lease.

11.06 Any notice or communication to be given or made to either party shall be in writing and may be sufficiently given if couriered or faxed to such party at the following addresses:

Tenant:

Stathko Investments Ltd./  
Carstar Calgary Downtown  
2601 – 29<sup>th</sup> Street N.E.  
Calgary, Alberta T1Y 7B5  
Attention: Chris Stathonikos  
Fax: (403) 769-1944

Landlord

The City of Calgary  
Corporate Properties & Buildings  
12<sup>th</sup> Floor, 800 Macleod Trail S.E.  
Calgary, Alberta T2G 2M3  
Attention: Manager, Land  
Fax: (403) 268-1948



Either party may change its address by notice given to the other in accordance with this section, in which event this section shall be deemed to have been amended accordingly. Any notice or communication given in the foregoing manner shall be deemed to have been given and received on the date of courier or fax.

11.07 Each term, covenant and condition contained in the Lease shall for all purposes be construed to be a separate and independent covenant and agreement, and the breach of any such term, covenant or condition by the Landlord shall not discharge or relieve the Tenant from its obligations under the Lease. If any term or condition of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid and unenforceable, the remainder of the Lease or the application of such term, covenant or condition to any person or circumstance, other than those with respect to which it is invalid or unenforceable, shall not be affected thereby and each term and condition of the Lease shall be valid and shall be enforced to the full extent permitted by law.

11.08 All terms, covenants and conditions contained in the Lease shall be binding upon and enure to the benefit of the respective heirs, successors and permitted assigns of the Landlord and the Tenant including any person taking or receiving in any manner the benefit hereof absolutely to the same extent as if each such heir, successor and permitted assign and any such person were named as a party to the Lease.

11.09 The failure by the Landlord to enforce any term or covenant or obligation of the Tenant contained herein shall not be deemed to be a waiver of such term, covenant or obligation, or permission for any subsequent breach of the same, and the Landlord may at any time enforce such term, covenant or obligation. The waiver by the Landlord of any breach of any term, covenant or obligation hereof shall not be deemed to be a waiver of such term, covenant or obligation with respect to any subsequent breach. No term, covenant or obligation of the Tenant contained in the Lease may be waived by the Landlord, unless such waiver be in writing executed by the Landlord. The

acceptance of Rent by the Landlord subsequent to any such breach shall not be deemed to be a waiver of such breach, whether or not the Landlord had knowledge of the breach at the time of acceptance of the Rent. No payment by the Tenant or receipt by the Landlord whether it be of a lesser amount than the Rent herein stipulated or the full amount or a greater amount thereof, shall be deemed, unless otherwise determined by the Landlord in its sole and uncontrolled discretion, to be other than on account of the earliest stipulated rent, and no endorsement or statement on any cheque or any letter accompanying any cheque or payment as rent shall constitute an effective direction from the Tenant as to the appropriation of such cheque or payment nor shall any such endorsement or statement or any such letter be deemed an acknowledgement of full payment or an accord and satisfaction and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such rent or any other amount owing by the Tenant or pursue any other remedy provided for in the Lease.

11.10 The Lease shall be construed in accordance with and governed by the laws of the Province of Alberta.

11.11 The Lease contains the entire terms thereof and the Landlord and Tenant agree that there are no representations, collateral agreements or conditions except as expressed herein. All previous verbal or written agreements, if any, are hereby cancelled and rendered null and void.

11.12 Time shall be of the essence of the Lease in every respect hereof.

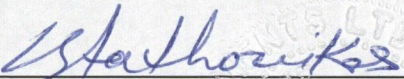
11.13 Each of the parties hereto covenants and agrees from time to time and at all times hereafter to do and perform such acts and things and to execute all such deeds, documents and writings and give all such further assurances as shall be reasonably required as herein contemplated.

11.14 The parties hereto agree that the headings herein form no part of the Lease and have been inserted for convenience of reference only.

IN WITNESS WHEREOF the parties hereto have duly executed the Lease.

APPROVED	
As to Content Corp. Prop.	
As to Form Solicitors	


**STATHKO INVESTMENTS LTD.**  
carrying on business as  
**CARSTAR CALGARY DOWNTOWN**

  
\_\_\_\_\_

**CHRIS STATHONIKOS**  
\_\_\_\_\_ (seal)

**THE CITY OF CALGARY**

  
\_\_\_\_\_ (seal)  
Manager, Land  
Corporate Properties & Buildings

  
\_\_\_\_\_ (seal)  
City Clerk  
MAY 04 2011

**AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY**

I, \_\_\_\_\_, of the City of \_\_\_\_\_, in the Province of \_\_\_\_\_,  
MAKE OATH AND SAY THAT:

1. I am an officer or a director or a manager of **STATHKO INVESTMENTS LTD. carrying on business as CARSTAR CALGARY DOWNTOWN** named in the within or annexed instrument.
2. I am authorized by **STATHKO INVESTMENTS LTD. carrying on business as CARSTAR CALGARY DOWNTOWN** to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of \_\_\_\_\_, )  
in the Province of \_\_\_\_\_, this \_\_\_\_\_ )  
day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
A Notary Public/Commissioner for Oaths in  
and for the Province of \_\_\_\_\_

**AFFIDAVIT OF EXECUTION**

CANADA ) I, K. Hugh Ham, of the City of Calgary  
PROVINCE OF ) in the Province of Alberta  
ALBERTA ) MAKE OATH AND SAY THAT:

1. I was personally present and did see \_\_\_\_\_ and \_\_\_\_\_ who is/are known to me to be the person(s) named in the within (or annexed) instrument, duly sign the instrument;

or  
I was personally present and did see K. Hugh Ham and \_\_\_\_\_ who, on the basis of the identification provided to me, I believe to be the person(s) named in the within (or annexed) instrument, duly sign the instrument;

2. The instrument was signed at the City of Calgary, in the Province of Alberta and that I am the subscribing witness thereto.

3. I believe the person(s) whose signature(s) I witnessed is/are at least eighteen (18) years of age.

SWORN BEFORE ME at the City of Calgary, )  
in the Province of Alberta, this 20th )  
day of April, 2011.

\_\_\_\_\_  
A Notary Public/Commissioner for Oaths in  
and for the Province of Alberta

**Jennifer Sykes**  
**Barrister and Solicitor**  
**Province of Alberta**

K. Hugh Ham

## SCHEDULE "A"

### LIST OF ALLOWABLE SUBSTANCES USED UPON THE LEASED PREMISES

DEC-10-2010 10:29 From:

To: 4035710028

Page: 1/8

STOCKED ITEMS ~~Inglewood-Carstar-~~ PAINT ROOM

Date: *Carstar Calgary Downtown*  
*December 10, 2010*

REV. 12/03/10  
PAGE 1/2

PART #	DESCRIPTION NAME	Manufacturer
391094	SIKKENS PAINT TONER 00 QT WHITE	AKZO NOBEL
391162	SIKKENS PAINT TONER 98 QT	AKZO NOBEL
393896	SIKKENS PAINT TONER 101 QT	AKZO NOBEL
391096	SIKKENS PAINT TONER 245 Qt	AKZO NOBEL
391098	SIKKENS PAINT TONER 254 .5L	AKZO NOBEL
391099	SIKKENS PAINT TONER 267 .5L	AKZO NOBEL
393901	SIKKENS PAINT TONER 296 .5L	AKZO NOBEL
393897	SIKKENS PAINT TONER 332BA QT	AKZO NOBEL
391103	SIKKENS PAINT TONER 332 GA .5L	AKZO NOBEL
391104	SIKKENS PAINT TONER 332GB .5L	AKZO NOBEL
391105	SIKKENS PAINT TONER 332RA .5L	AKZO NOBEL
391106	SIKKENS PAINT TONER 332SA .5L	AKZO NOBEL
393898	SIKKENS PAINT TONER 332VA QT	AKZO NOBEL
391108	SIKKENS PAINT TONER 332XB .5L	AKZO NOBEL
391109	SIKKENS PAINT TONER 332 XG .5L	AKZO NOBEL
391110	SIKKENS PAINT TONER 332XS .5L	AKZO NOBEL
391111	SIKKENS PAINT TONER 332YA .5L	AKZO NOBEL
391112	SIKKENS PAINT TONER 333P QT	AKZO NOBEL
391113	SIKKENS PAINT TONER 333PB QT	AKZO NOBEL
391114	SIKKENS PAINT TONER 333PG QT	AKZO NOBEL
391115	SIKKENS PAINT TONER 333PR QT	AKZO NOBEL
391116	SIKKENS PAINT TONER 334GA .5L	AKZO NOBEL
391117	SIKKENS PAINT TONER 334GB .5L	AKZO NOBEL
391118	SIKKENS PAINT TONER 334PR .5L	AKZO NOBEL
391119	SIKKENS PAINT TONER 334RA .5L	AKZO NOBEL
391120	SIKKENS PAINT TONER 334RB .5L	AKZO NOBEL
391121	SIKKENS PAINT TONER 334RC .5L	AKZO NOBEL
391122	SIKKENS PAINT TONER 334RD .5L	AKZO NOBEL
391123	SIKKENS PAINT TONER 334WA .5L	AKZO NOBEL
391124	SIKKENS PAINT TONER 334WB .5L	AKZO NOBEL
391126	SIKKENS PAINT TONER 334 XR .5L	AKZO NOBEL
391125	SIKKENS PAINT TONER 334XC .5L	AKZO NOBEL
391127	SIKKENS PAINT TONER 334ZA .5L	AKZO NOBEL
391128	SIKKENS PAINT TONER 335 .5L	AKZO NOBEL
391129	SIKKENS PAINT TONER 342 QT	AKZO NOBEL
393902	SIKKENS PAINT TONER 356 QT	AKZO NOBEL
391132	SIKKENS PAINT TONER 360 .5L	AKZO NOBEL
391133	SIKKENS PAINT TONER 361 .5L	AKZO NOBEL
391134	SIKKENS PAINT TONER 379 QT	AKZO NOBEL
391135	SIKKENS PAINT TONER 400 QT	AKZO NOBEL
391136	SIKKENS PAINT TONER 527 QT	AKZO NOBEL
391138	SIKKENS PAINT TONER 534 QT	AKZO NOBEL
391139	SIKKENS PAINT TONER 537 .QT	AKZO NOBEL

## PAINT ROOM

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PART #	DESCRIPTION NAME	Manufacturer
391141	SIKKENS PAINT TONER 558 .5L	AKZO NOBEL
391142	SIKKENS PAINT TONER 568 .5L	AKZO NOBEL
391143	SIKKENS PAINT TONER 575 .QT	AKZO NOBEL
393899	SIKKENS PAINT TONER 577 QT	AKZO NOBEL
391145	SIKKENS PAINT TONER 579 .5L	AKZO NOBEL
391146	SIKKENS PAINT TONER 599 .5L	AKZO NOBEL
391148	SIKKENS PAINT TONER 732 QT	AKZO NOBEL
391149	SIKKENS PAINT TONER 744 QT	AKZO NOBEL
391150	SIKKENS PAINT TONER 777 QT	AKZO NOBEL
391151	SIKKENS PAINT TONER 888C QT	AKZO NOBEL
391152	SIKKENS PAINT TONER 888CC QT	AKZO NOBEL
391153	SIKKENS PAINT TONER 888DC QT	AKZO NOBEL
391154	SIKKENS PAINT TONER 888DF QT	AKZO NOBEL
391155	SIKKENS PAINT TONER 888EC QT	AKZO NOBEL
391156	SIKKENS PAINT TONER 888MS QT	AKZO NOBEL
391157	SIKKENS PAINT TONER 888YA QT	AKZO NOBEL
391158	SIKKENS PAINT TONER 952 QT	AKZO NOBEL
391159	SIKKENS PAINT TONER 954 QT	AKZO NOBEL
391160	SIKKENSPAIN TONER 971 QT	AKZO NOBEL
368592	SIKKENS PAINT TONER 974 QT	AKZO NOBEL
391163	SIKKENS PAINT TONER 980 QT	AKZO NOBEL
391147	SIKKENS PAINT TONER 666 GAL	AKZO NOBEL
397937	SIKKENS CBP250 WHITE GAL	AKZO NOBEL
397932	SIKKENS CBP250 BLACK GAL	AKZO NOBEL
397935	SIKKENS CBP250 GREEN QT	AKZO NOBEL
397936	SIKKENS CBP250 YELLOW QT	AKZO NOBEL
397934	SIKKENS CBP250 BLUE QT	AKZO NOBEL
397933	SIKKENS CBP250 RED QT	AKZO NOBEL
314881	SIKKENS MATT CLEAR QT	AKZO NOBEL
1006423	ACC1000ML PLASTIC LITER CUPS	RICHARDS PACKAGING
1006437	ACC2000ML PLASTIC 2 LITER CUPS	RICHARDS PACKAGING

STOCKED ITEMS Inglewood Carstar, PAINT CABINET

*Carstar Calgary Downtown*

REV. 12/03/10  
PAGE 1/1

SAP#	DESCRIPTION	Manufacturer
391638	SIKKENS 250 CLEAR GAL	AKZO NOBEL
391639	SIKKENS 250 HARDENER GAL	AKZO NOBEL
397265	SIKKENS 250 RED MED GAL	AKZO NOBEL
397264	SIKKENS 250 SPT & PNL RED GAL	AKZO NOBEL
390990	SIKKENS SRA AEROSOL	AKZO NOBEL
397904	SIKKENS SRA 4.5 QT REDUCER	AKZO NOBEL
380016	SIKKENS SURFACER CLEANER GAL	AKZO NOBEL
385014	SIKKENS ANTISTATIC GAL DEGREASER	AKZO NOBEL
397938	SIKKENS CBP250 HARDENER QT	AKZO NOBEL
397939	SIKKENS CBP250 SPOT & PANEL ACT QT	AKZO NOBEL
397940	SIKKENS CBP250 MEDIUM ACT QT	AKZO NOBEL
397941	SIKKENS CBP250 SLOW ACT QT	AKZO NOBEL
397942	SIKKENS CBP250 EXTRA SLOW ACT QT	AKZO NOBEL
389353	SIKKENS 250 ACCELERATOR 250ML	AKZO NOBEL
390992	SIKKENS SIK 1K CF AEROSOL	AKZO NOBEL
387018	SIKKENS PRIMER PO AEROSOL	AKZO NOBEL
390991	SIKKENS RALLY BLACK AEROSOL	AKZO NOBEL
391196	SIKKENS WB ACTIVATOR QT	AKZO NOBEL
398218	SIKKENS ELASTO-ACTIVE LV	AKZO NOBEL
390937	SIKKENS ALL PLASTIC REDUCER QT	AKZO NOBEL
391311	SIKKENS AUTOWAVE GUN CLEANER 5GAL	AKZO NOBEL
387041	SIKKENS M600 5 GAL DEGRASER	AKZO NOBEL
GW2000	CLASSIC BRANDGUNWASH 5 GAL	L.J PETERS

STOCKED ITEMS Inglewood Carstar.

CABINET #246

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PART #	DESCRIPTION NAME	Manufacturer
PF946	MOULDING ADHESION PROMOTOR	PROFORM
3M06349	TRIM MASKING TAPE 10MM	3M AUTOMOTIVE
3M08088	GENERAL TRIM ADHESIVE AERO	3M AUTOMOTIVE
768	COPPER WELD THRU PRIMER AERO	U-POL
TALT5611	PAINT STRIPPER BUMPER	3M AUTOMOTIVE
TALT3811	BLACK SATIN BLACK AERO	3M AUTOMOTIVE
3M08949	ROCKER GUARD BEIGE	3M AUTOMOTIVE
3M08883	RUBERIZED UNDERCOATING AERO	3M AUTOMOTIVE
3M08889	ROCKER GUARD BEIGE AERO	3M AUTOMOTIVE
3M07065	RESPIRATOR WIPES	3M AUTOMOTIVE
3M01989	3/8" CUT OFF WHEELS 5/PK	3M AUTOMOTIVE
3M01990	3/16" CUT OFF WHEELS 5/PK	3M AUTOMOTIVE
LB-10B	OLFA BLADES 10/PK	OLFA NORTH AMERICA
NOR78000	2" X60YRDS SILVER DUCT TAPE	SIANT GOBAIN ABRASIVES
3M06132	3M ELECTRICAL TAPE	3M AUTOMOTIVE
3M06349	MASKING TAPE 12MM	3M AUTOMOTIVE
3M06348	MASKING TAPE 6MM	3M AUTOMOTIVE
9437	YELLOW TOUCH UP BRUSHES PK	PRO MOTORCAR PRODUCTS
3M070470	ROLOC CLEAN AND STRIP DISC EA	3M AUTOMOTIVE
MACK150R	SANDING REFILL 1PK (12)	ANDREW MACK
CSP12510	3" FLEX LOC MED MAROON 25/PK	SIANT GOBAIN ABRASIVES



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PART #	DESCRIPTION NAME	Manufacturer
3M80119	9 WEATHER SPRIT ADHESIVE BLACK	3M AUTOMOTIVE
3M08061	1 PLASTIC EMBELM ADHESIVE TUBE	3M AUTOMOTIVE
DSSXPSA	PLASTIC SURGERY WELD KIT	DOMINION SURESEAL LTD
M20615	1 1/2" WOOD PAINT BRUSH	PRO-TEK
3M07194	3M07194 P95 PREFILTER BX/10 PAIR	3M AUTOMOTIVE
3M07046	3M07046 ORGANIC VAPOR CARTRIDGES 2/PK	3M AUTOMOTIVE
3M07184	3M07184 P100 PARTICULATE FILTER 1PAIR	3M AUTOMOTIVE
DB803	DB803 1/8" DRILL BIT 12/PK	VIKING DRILL AND TOOL
GLOVEL	GLOVEL ORANGE MARIGOLD GLOVES 12/PK	MARIGOLD INDUSTRIAL
1005L	BEST GLOVES 1005L 100BX	SHOWA GLOVE COMPANY
NOR62318	NOR62318 2" SPEED- LOK BLAZE DISC 36G 25/PK	SIANT GOBAIN ABRASIVES
NOR62320	NOR62320 2" SPEED-LOK BLAZE DISC 50G 25/PK	SIANT GOBAIN ABRASIVES
3M07048	3M07048 PARTICULATE DUST MASK 20/PK	3M AUTOMOTIVE
3M01100	3M01100 FOAM EAR PLUGS 200/BX	3M AUTOMOTIVE
3M06328	3M06382 1/2" TWO SIDED TAPE	3M AUTOMOTIVE
3M06383	3M06383 7/8" TWO SIDED TAPE	3M AUTOMOTIVE
3M06385	3M06385 1/4" TWO SIDED TAPE	3M AUTOMOTIVE
FSP5010	FSP5010 FIVE STAR RAZOR BLADES 1PK 100	AUTOBODY BRAND INTERNATIONAL
1000110	1.2.3. SIKKENS TACK CLOTH EACH	AKZO NOBEL
BDOG0000	STEEL WOOL SUPER FINE 0000	BULL DOG COMPANY
400E	ASTRO EARASER WHEEL	ASTRO PNEUMATIC TOOL COMPANY
1003852	UNI-SPOTTER STUDS 2.2MM 500/PK	H&S AUTOSHOT
1013433	3M06085 RUBBING COMPOUND QT POLISH	3M AUTOMOTIVE
1008955	3M06064 SWIRL MARK REMOVER QT POLISH	3M AUTOMOTIVE
1011043	3M06068 ULTRAFINA SE QT POLISH	3M AUTOMOTIVE

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PART #	DESCRIPTION NAME	Manufacturer
FU800	FACTORY MATCH URETHANE BEIGE TUBE	LORD CORPORATION
FU804	310ML GRAY SPRAYABLE SEAM SEALER TUBE	LORD CORPORATION
FU805	310ML BLACK SPRAYABLE SEAM SEALER TUBE	LORD CORPORATION
3M03713	TALT3713 TAL-STRIP II GALLON	3M AUTOMOTIVE
EV622	EVERGLAS SHORT FIBERGLASS	EVERCOAT
2004	PREMIUM LITE WEIGHT BOND GAL	ACROSS CANADA
FU417	FUSOR APPLICATOR TIPS EACH	LORD CORPORATION
FU108B	MEATAL BONDING ADHESIVE MED	LORD CORPORATION
FU112	MEATAL BONDING ADHESIVE SLOW	LORD CORPORATION
FU114	BUMPER FINISHING ADHESIVE	LORD CORPORATION
FU123	TWO PART SEAM SEALER FAST	LORD CORPORATION
FU123EZ	TWO PART SEAM SEALER MED	LORD CORPORATION
FU141	TWO PART CLEAR PLASTIC STRUC ADH	LORD CORPORATION
FU142	TWO PART EXTREAM PLASTIC REPAIR	LORD CORPORATION
FU602EZ	FU602EZ PLASTIC BUMPER/TRIM ADH AEROSOL	LORD CORPORATION
FU700	FU700 BUMPER REINFORCING MESH	LORD CORPORATION
138.843	CARSYSTEMS EUROPUTTY TUBE	CAR WORXS
300.25	2.5L PAINT HAND CLEANER	CAR WORKS

STOCKED ITEMS ~~Inglewood Carstar~~

*Carstar Calgary  
Downtown*

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PART #	Description name	Manufacturer
DSSBSDE	DSSBSDE SOUND DEADENING SHEETS 8"X20"	DOMINION SURE SEAL
125070	SATA BRAND RPS .6LT PLASTIC CUPS	SATA
118471	SATA BRAND .9LT PLASTIC CUPS	SATA
CSP21319	SAND PAPER 8" 40GRIT VELCRO 25/BX	SIANT GOBAIN ABRASIVES
CSP21318	SAND PAPER 8" 80GRIT VELCRO 25/BX	SIANT GOBAIN ABRASIVES
NOR38593	SAND PAPER 7" 36GRIT GRINDING DISC 25/BX	SIANT GOBAIN ABRASIVES
T2051.0080.7	SAND PAPER SIA 4X9 80G VELCRO 100/BX	SIA ABRASIVES JJS
T2051.0220.7	SAND PAPER SIA 4X9 220G VELCRO 100/BX	SIA ABRASIVES JJS
CSP70123	SAND PAPER SUPER FINE SPONGE SANDING PADS	SIANT GOBAIN ABRASIVES
3M02044	SAND PAPER 5 1/2" X 9" 2000G WET HALF SHEETS	3M AUTOMOTIVE
CSP20277	SAND PAPER 6" 320GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP20276	SAND PAPER 6" 400GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP20275	SAND PAPER 6" 600GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP20274	SAND PAPER 6" 800GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP21343	SAND PAPER STRIPS 40GRIT VELCRO 25/BX	SIANT GOBAIN ABRASIVES
CSP21342	SAND PAPER STRIPS 80GRIT VELCRO 50/BX	SIANT GOBAIN ABRASIVES
3210.1376.0120	SAND PAPER SIA STRIPS 180GRIT VELCRO 100/BX	SIA ABRASIVES JJS
CSP21316	SAND PAPER 6" 40GRIT VELCRO 25/BX	SIANT GOBAIN ABRASIVES
CSP20289	SAND PAPER 6" 80GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP20287	SAND PAPER 6" 120GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
CSP20283	SAND PAPER 6" 220GRIT VELCRO 100/BX	SIANT GOBAIN ABRASIVES
3M07447	SCOTCH BRITE PADS RED	3M AUTOMOTIVE
3M07448	SCOTCH BRITE PADS GREY	3M AUTOMOTIVE
3M07745	SCOTCH BRITE PADS GOLD	3M AUTOMOTIVE
1007002	FINE STRAINER 250/BX	GERSON COMPANY
3M06541	3/4" MASKING TAPE 48/BX	3M AUTOMOTIVE
3M06542	1 1/2" MASKING TAPE 24/BX	3M AUTOMOTIVE
3M09678	SOFT EDGE FOAM TAPE BOX	3M AUTOMOTIVE
KIM33352	KIMTECH PREP WIPES BOX	KIMBERLY CLARKE

STOCKED ITEMS Inglewood Carstar.

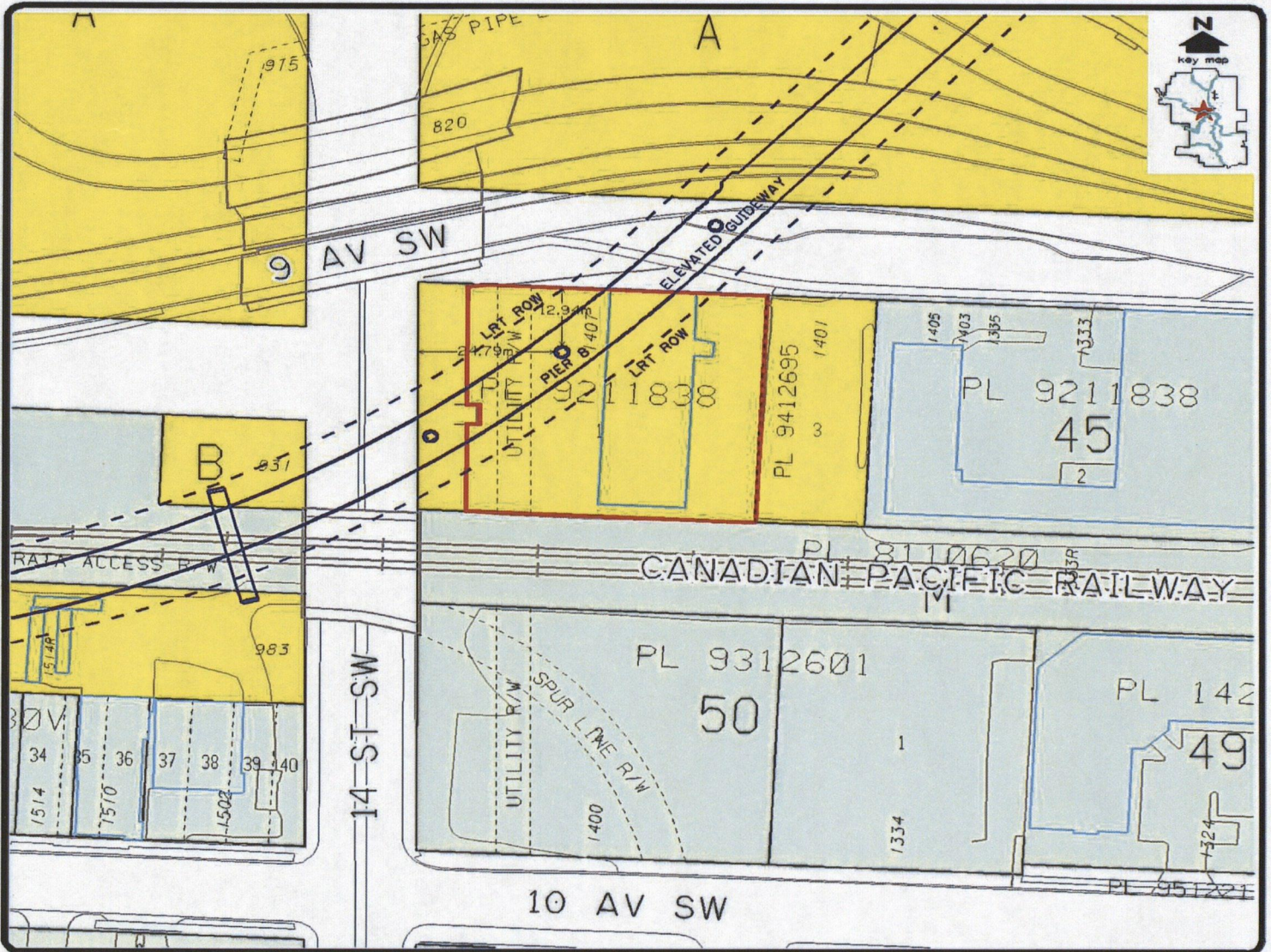
PARTS ROOM

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Part #	Description	Manufacturer
8202048	CAM8202048 R1 FILTERS 20X48 8/CS	CanFill Farr
8102025	CAM8102025 R1 FILTERS 20X25 20/CS	CanFill Farr
1006982	SCA121202 CENTER PULL TOWELS 6/PK	TORK PAPER PRODUCTS
22125	20"X25' PAINT POCKETS 30/CS	DAFCO FILTRATION GROUP
22150	30"X60' PAINT POCKETS ROLL	DAFCO FILTRATION GROUP
PN06B	6" X 750' BLUE MASKING PAPER	HOOD PACKAGING
PN18W	18" X 750' WHITE MASKING PAPER	HOOD PACKAGING
PN36W	36" X 750' WHITE MASKING PAPER	HOOD PACKAGING
KIM05027	WYBALL L40 24/CS PAPER TOWELS	Kimberly Clarke
3m06728	16X350 PLASTIC SHEETING ROLL	3M AUTOMOTIVE
CSP68509	WEATHER BARRIER SHEETING ROLL	SIANT GOBAIN ABRASIVES
2022P	FLOOR DRY BAG	EP-MINERALS
3M05916	3M SPARK DEFLECTION PAPER ROLL	3m Automotive


# SCHEDULE "B"

## SITE PLAN



File No.: 1407 9 AV SW (CD)

 Subject Area

 City Owned Lands

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BETWEEN:

**THE CITY OF CALGARY**

- and -

**STATHKO INVESTMENTS LTD.,  
carrying on business as  
CARSTAR CALGARY DOWNTOWN**

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**LEASE**

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**PAUL L. TOLLEY, Q.C.  
CITY SOLICITOR  
The City of Calgary  
Law Department  
12<sup>th</sup> Floor, Calgary Municipal Building  
800 Macleod Trail SE  
Calgary, AB T2G 2M3**

(P. O. Box 2100, Station "M" (8053)  
Calgary, AB T2P 2M5)

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Law File No.: E0358 (L. Lau)  
CPB File No.: 1407 – 9 Ave SW (V. Keiller/S. Quayle)

**THIS IS EXHIBIT "60" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## **TRIPLE NET LEASE**

**THIS LEASE** made effective the 1<sup>st</sup> day of August, 2019.

**BETWEEN:**

**DDG HOLDINGS LTD.**  
(hereinafter called the "**Landlord**")

-and-

**COLLISION KINGS 3 LTD.**  
(hereinafter called the "**Tenant**")

### **1.00 GRANT OF LEASE**

The Landlord, being registered as owner of the land municipally and legally described on **Schedule "A"** attached hereto (hereinafter called the "**Land**") does hereby lease to the Tenant the Land and Building (hereinafter called the "**Demised Premises**") to be held by the Tenant, as tenant, for the term set out in **Schedule "A"** (hereinafter called the "**Term**") and commencing on the commencement date set out in **Schedule "A"** ("**Commencement Date**"), at the rent ("**Rent**" being Basic Rent and Additional Rent) and subject to the covenants and powers hereinafter set forth which the Landlord and the Tenant each agree with the other to observe and perform as the same may be applicable to each of them respectively.

### **1.01 TRIPLE NET LEASE INTENT**

The Tenant acknowledges and agrees that it is intended that this Lease is a completely carefree net lease to the Landlord and that, except as expressly set out herein, the Landlord is not responsible for any costs, charges, or expense of any nature whatsoever arising from or relating to the Demised Premises during the Term, or the use and occupancy thereof, or the contents thereof, or the business carried on therein, and the Tenant shall pay all costs, charges, and expenses of every nature and kind related to the Demised Premises except as expressly set out herein.

### **1.02 BASIC RENT**

- (a) The Demised Premises are leased at the basic rent set out in **Schedule "A"** ("**Basic Rent**"), payable in lawful money of Canada in twelve equal monthly instalments to be paid in advance on the first day of each and every calendar month of the Term at the office of the Landlord or at such place as the Landlord may from time to time hereafter designate in writing commencing at the Commencement Date for the Term.
- (b) To the extent that Goods and Services Tax or any like tax is payable on Rent and any other payment by the Tenant to the Landlord, unless otherwise stated in this Lease, then reference to the payment of such sum under the terms of this Lease shall be plus GST or any like tax on that sum at the appropriate rate.



### **1.03 ADDITIONAL RENT**

All sums paid or expenses incurred hereunder by the Landlord, which ought to have been paid or incurred by the Tenant, or for which the Landlord hereunder is entitled to reimbursement from the Tenant by agreement, and any interest owing to the Landlord hereunder may be recovered by the Landlord as additional rent (“**Additional Rent**”). Payments of Additional Rent are due within seven (7) days of the Tenant receiving notice of the same from the Landlord.

### **1.04 INTEREST ON ARREARS**

Additional Rent shall bear interest from the date the same became due until the date of payment to the Landlord. Such interest will be charged at the rate of prime plus 6% per annum and shall be payable both before and after judgment.

### **1.05 DEPOSIT**

The Tenant shall pay to the Landlord upon execution of this Lease, a deposit in an amount equal to \$25,987.50. A portion of the deposit shall be applied to the first month’s Basic Rent with the balance to be held as held by the Landlord on a non-interest bearing basis as security for the faithful performance by the Tenant of all the terms, covenants and conditions of this Lease, and if at any time during the Term, Rent is overdue and unpaid or the Tenant is in breach of any covenant, condition or proviso contained in this Lease, then the Landlord may, at its option, apply all or a portion of such deposit toward the payment of such overdue Rent or any payment of any cost or expense to which the Landlord may be put as a result of any such breach, without thereby limiting or excluding any other rights which the Landlord may have hereunder or at law, and if such deposit is not so applied during the Term, then such amount shall be applied toward the monthly instalments of Basic Rent in respect of the last month of the Term as the same becomes due. In the event that such entire deposit or any portion thereof is applied by the Landlord toward the payment of overdue Rent or any cost or expense to which the Landlord is put as a result of breach of this Lease by the Tenant, then the Tenant shall, upon demand by the Landlord, remit to the Landlord such amount as is required to restore such deposit to the amount held by the Landlord prior to such application.

## **2.00 TENANT'S COVENANTS**

The Tenant, for itself and its permitted assigns, for the Term, covenants with the Landlord as follows:

### **2.01 PAY RENT**

The Tenant shall pay the Basic Rent hereby reserved promptly at the times and in the manner herein mentioned without setoff, deduction or defalcation.

### **2.02 OPERATING COSTS**

- (a) The Tenant shall pay as they become due, commencing on the Commencement Date, all operating costs. For the purposes of this Lease "**operating costs**" means the total of any and all costs and expenses in connection with the protection, securing, maintenance, cleaning and repair of the Demised Premises and, without limitation or duplication, includes the following:
  - (i) cost of routine maintenance and operation of the Demised Premises, excluding costs of capital nature and excluding costs that are the responsibility of the Landlord as described in Section 3.03;

- (ii) cleaning, including snow removal;
  - (iii) all charges for public services and utilities, including all water, sewer, natural gas, electricity, and any other utilities;
  - (iv) all taxes (including property taxes and Goods and Services Tax), rates, assessments, local improvement levies, and governmental charges imposed by any competent authority levied upon the Demised Premises, and the Tenant's trade fixtures, improvements and machinery or equipment whether levied against the Landlord or the Tenant.
  - (v) all taxes with respect to all business carried on in the Demised Premises whether levied against the Landlord or the Tenant.
  - (vi) all costs of insuring the Demised Premises within the terms of this Lease.
- (b) Operating costs shall not include:
- (i) debt service, including without limitation, refinancing costs, interest on debt or capital retirement of debt;
  - (ii) costs for which the Landlord is reimbursed by the proceeds of insurance;
  - (iii) costs recovered by the Landlord under a warranty;
  - (iv) income taxes in respect of income received from leasing the Demised Premises;
  - (v) capital cost allowance and depreciation;
  - (vi) costs for which the Landlord is responsible under this Lease; and
  - (vii) costs incurred as a result of the negligence or willful acts of Landlord or of those for whom Landlord responsible and including, without limitation, costs incurred as a result of the breach by the Landlord under the terms of this Lease.

Notwithstanding the foregoing, the Landlord and the Tenant agree that it is mutually advantageous for the Tenant to contract for and pay directly as many of the operating costs as practically possible. Accordingly, it is mutually agreed that prior to occupying the Demised Premises, the parties shall in writing agree on which operating costs will be paid directly by the Tenant. The Tenant shall reimburse the Landlord for any operating costs directly incurred and paid by the Landlord. Save and except as contemplated or authorized by the provisions of this Lease, the Landlord shall not bill the Tenant for operating costs that it is incurring directly without the consent of the Tenant.

Upon request of the Landlord, the Tenant shall promptly deliver to the Landlord for inspection, receipt for payment of all operating costs paid directly by the Tenant. Upon request of the Tenant, the Landlord shall promptly deliver to the Tenant for inspection receipt for payment of all operating costs paid directly by the Landlord.

### **2.03 TIDINESS**

The Tenant shall maintain and keep at its own expense the glass and entrance doors and the interior of the Building in as good order and condition as they would be kept by a reasonably careful owner and not

allow paper, refuse, garbage or other loose or objectionable material to be or accumulate on the Demised Premises.

#### **2.04 REPAIR BY TENANT OF DEMISED PREMISES**

The Tenant shall undertake commercially reasonable maintenance to keep the Demised Premises and its improvements in good order and condition having regard to the permitted use of the Demised Premises and the condition of the Demised Premises as at the Commencement Date. In particular, the Tenant shall:

- (a) undertake routine maintenance of the heating, ventilation and air-conditioning apparatus of the Building, consistent with past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably.
- (b) be responsible for the cost of repairing any heating, ventilating, air conditioning apparatus and any other mechanical system of the Building including, but not limited to, plumbing, sprinkler, drainage, and electrical systems or any part thereof, to the extent the need for same is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.
- (c) be responsible for the cost of repairing all Tenant's improvements and trade fixtures together with all partitioning and/or improvements erected by or on behalf of the Tenant except to the extent the need for same is caused by the Landlord or any party for whom the Landlord is responsible at law;
- (d) be responsible for the cost of repairing any glass and doors located within or in any perimeter wall of the Building to the extent the need for same is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.
- (e) be responsible for the costs of maintaining and repairing the yard including both the gravelled and paved portion thereof consistent with past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably. For certainty, should the Demised Premises require additional gravel in connection with the foregoing covenant, the acquisition and placement and packing of such gravel shall be at the Tenant's cost. All gravel materials and work shall be done in consultation with the Landlord acting reasonably, including but not limited to the type of materials used and the contractors engaged to perform the work.
- (f) be responsible for maintaining the perimeter fence surrounding the Demised Premises including but not limited to any gates (whether or not energized) on the Demised Premises, consistent with the past practice of the Landlord and as mutually agreed by and between the Tenant and the Landlord, acting reasonably and to be responsible for the cost of repairing same to the extent the need for such repair is caused by the negligence of the Tenant or any party for whom the Tenant is responsible at law.

The Landlord and the Tenant shall, within thirty (30) days of the commencement of this Lease determine and agree the applicable maintenance schedule and standards for such maintenance and repair obligations set forth in this Section 2.04 each acting reasonably and having regard for the past practice of the Landlord and including, without limitation, the condition as at the commencement of this Lease of the applicable portions and systems comprising the Demised Premises.

## **2.05 REPAIR BY LANDLORD**

Upon the failure of the Tenant to undertake or commence any routine maintenance or to do anything, which is required of it by this Lease within 7 days of the Landlord having provided the Tenant notice of such failure or default, the Landlord may carry out such repairs or do such things and the Landlord shall be entitled to recover on demand from the Tenant the reasonable cost thereof.

## **2.06 DAMAGE TO BUILDING**

If the Building, boilers, engines, pipes and other apparatus (or any of them) used for the purpose of heating or air-conditioning the Building or, if the water pipes, drainage pipes, electrical lighting, windows, overhead doors or other equipment of the Building become damaged or destroyed through the willful act or negligence of the Tenant, its employees, agents, servants or any party for whom the Tenant is responsible at law, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid on demand as Additional Rent, except to the extent that such repairs, replacements or alterations costs are insured against (or should have been insured against under the terms of this Lease) by the Landlord. For further clarity, in such events, the Tenant shall be responsible for the deductible.

## **2.07 ASSIGNMENT**

The Tenant shall not pledge or assign this Lease or sublet or part with possession of the Demised Premises or any part thereof, directly or indirectly, without the prior written consent of the Landlord, not to be unreasonably withheld or delayed. No assignment or sub-lease of the Demised Premises or any part thereof shall in any manner relieve the Tenant from its responsibilities under all of the terms, covenants and conditions of this Lease. Any violation of any provision of this Lease, whether by act or omission, by any sub-Tenant shall be deemed a violation of such provision by the Tenant.

## **2.08 USE OF DEMISED PREMISES**

The Tenant covenants to operate and conduct its business upon the Demised Premises in a reputable manner throughout the Term and any renewal term. The Tenant shall operate on and from the Demised Premises an autobody repair shop, with uses reasonably ancillary thereto.

## **2.09 DEMISED PREMISES TO CONFORM TO LAW**

The Tenant shall comply with all provisions of applicable law including without limitation federal and provincial legislative enactments, building and other civic by-laws, and any and all other governmental and municipal regulations, which relate to the partitioning, equipment, operation and use of the Demised Premises, and to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Demised Premises as required under the terms of this Lease, and comply with all police, fire and sanitary regulations or directives imposed or made by any federal, provincial or municipal authorities, and observe and obey all governmental and municipal regulations and other requirements governing the conduct of all business conducted in the Demised Premises.

## **2.10 NOTIFY LANDLORD**

The Tenant shall promptly notify the Landlord of any material defects in the Building or Demised Premises, of which it becomes aware, including without limitation, the water pipes, plumbing and heating apparatus, ventilation and air-conditioning equipment and electrical wiring and fixtures and as well of any matter or condition which may cause injury or damage to the Building or any person or property therein located.

## **2.11 NOT PERMIT LIENS**

The Tenant shall promptly pay as and when the same falls due all accounts for labour or material done or supplied for all improvements, installations, partitions, and trade fixtures or work done by or for the Tenant on the Demised Premises and shall not cause, suffer or permit any encumbrance, lien or charge to arise or exist or be claimed upon the Demised Premises in respect thereof, provided that any such lien shall be permitted if and so long as it does not embarrass or prejudice the Landlord and if the Tenant has agreed to indemnify and save harmless the Landlord in respect of the same having given the Landlord reasonable security to ensure the due payment of the same, and the Tenant proceeds with all due diligence to take whatsoever steps are properly open to it to cause the validity of such claim to be determined and any registration of such claim against the title to the Demised Premises to be extinguished or the lien to be paid if found valid.

## **2.12 TENANT'S LIABILITY INSURANCE**

The Tenant agrees to take out and keep in force during the Term hereof general public liability insurance on an occurrence basis with respect to the business carried on, in or from the Demised Premises and the use and occupancy thereof by the Tenant in the sum of not less than Five Million (\$5,000,000.00) Dollars inclusive, which insurance shall include the Landlord as an additional insured and shall protect the Landlord in respect of claims by the Tenant as if the Landlord were separately insured. The Tenant shall furnish to the Landlord, if and whenever reasonably requested by the Landlord, certificates or other satisfactory evidence as to such insurance.

## **2.13 SIGNS**

The Tenant shall not allow signs, pictures, advertisements, notices, lettering, flags, decorations or directions to be painted, displayed, inscribed, placed, affixed or maintained in or on any windows or doors of the Building or anywhere else on or in the Building, except as permitted by the Landlord in writing, such permission not be unreasonably withheld or delayed. Any signs that are consistent with industry practice shall be permitted by the Landlord.

## **2.14 NOT REGISTER LEASE**

The Tenant shall not register this Lease in this form in the Land Titles Office provided that the Tenant shall be at liberty to register a Caveat in respect hereof which shall not disclose the financial terms of this Lease.

## **2.15 TENANT'S INDEMNITY**

Except to the extent covered by insurance which the Landlord has or ought to have under the terms of this Lease, the Tenant shall indemnify and save harmless the Landlord from and against any and all claims, demands, actions, liabilities, losses, charges, damages, costs and expenses whatsoever, including legal fees on a solicitor-client basis, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to the negligence or willful acts or omissions of the Tenant or the breach by the Tenant of the terms of this Lease. This indemnity shall survive the termination or expiry of this Lease.

## **2.16 ACCESS TO LANDLORD**

The Landlord may, at any time during business hours (except during an emergency) on no less than 24 hours prior notice to the Tenant, enter the Demised Premises to examine the same, or for any purpose which it may deem advisable for the operation and/or maintenance of the Building or its equipment. During the last 6 months of the Term, the Tenant shall allow such person or persons as may be desirous of leasing the Demised Premises to visit the same during business hours, provided the Landlord gives reasonable notice to the Tenant.

## **2.17 YIELD UP**

At the expiration or sooner termination of this Lease the Tenant will peaceably surrender and give up the Demised Premises without notice from the Landlord, any right or notice to quit or vacate being hereby expressly waived by the Tenant, any law, usage or custom to the contrary notwithstanding.

## **3.00 LANDLORD'S COVENANTS**

The Landlord covenants with the Tenant as follows:

### **3.01 TENANT'S TRADE FIXTURES AND EQUIPMENT**

Upon expiration or early termination of this Lease, the Tenant shall remove all of its trade fixtures, equipment and personal property and repair any damage to the Demised Premises related to such removal. If the Tenant fails to remove all of its trade fixtures, equipment and personal property and to repair the Demised Premises then all such trade fixtures, equipment and personal property shall at the option of the Landlord become the property of the Landlord or shall be removed by the Landlord at the Tenant's expense and the Demised Premises shall be repaired by the Landlord at the Tenant's expense.

### **3.02 QUIET POSSESSION**

That the Tenant upon paying the Basic Rent hereby reserved at the times and in the manner aforesaid and observing and performing each and every one of the covenants, conditions, restrictions and stipulations by the Tenant to be observed or performed under this Lease shall and may peaceably and quietly possess and enjoy the Demised Premises during the said Term without interruption.

### **3.03 LANDLORD'S WORK AND REPAIRS**

The Landlord shall at its cost repair and maintain the supporting structure of the Building, the exterior walls of the Building, the roof-system and roof membrane of the Building, and the foundations of the Building.

Further, the Landlord shall at its cost be responsible for repairs to the Building related to:

- (a) fire, lightning, tempest, or other casualty, impact of aircraft, acts of God, the Queen's enemies, riots, or insurrections;
- (b) repairs of a capital nature;
- (c) replacement and non-routine repair of the boilers, pipes and other apparatus used for the purpose of heating or air conditioning the Building, and water pipes, drainage pipes, electrical systems and lighting, and overhead doors subject to Section 2.06.

Provided however, if the Landlord is required to maintain, repair or replace structural portions or any portion of the Demised Premises by reason of the negligent acts or omissions of the Tenant, its employees, agents, servants or any party for whom the Tenant is responsible at law, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid on demand as Additional Rent, except to the extent that such repairs, replacements or alterations costs are insured against (or should have been insured against under the terms of this Lease) by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible.

The Landlord shall comply with all provisions of applicable law related to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Demised Premises.

### **3.04 ALTERATIONS BY TENANT**

The Tenant may with prior written consent of the Landlord, not to be unreasonably withheld or delayed, from time to time install, improve, alter or change the trade fixtures and/or tenant's improvements in the Demised Premises, provided that:

- (a) The Tenant shall have supplied the Landlord with plans and/or specifications for such improvements, alterations or changes;
- (b) The Tenant shall cause all work done in connection with any improvement, alteration, addition or change to be done promptly and in a good and workmanlike manner and in accordance with the plans and specifications therefore which have been approved by the Landlord;
- (c) The Tenant shall require, in respect of any work performed on its behalf in connection with the tenant improvements, that all changes, alterations, additions and improvements shall comply with applicable law;
- (d) The Tenant shall supply to the Landlord a copy of all required permits prior to commencement of construction.

The Tenant shall not be entitled to improve, alter or change the electrical system or mechanical system apparatus or component without the express written permission of the Landlord, not to be unreasonably withheld or delayed. Upon termination of this agreement for any reason, the Tenant shall, at the option of the Landlord, replace and repair all of the alterations to the Demised Premises made by the Tenant pursuant to this section of this agreement. All costs of repair and replacement shall be paid by the Tenant.

### **3.05 LANDLORD'S INSURANCE**

The Landlord shall throughout the Term hereof maintain insurance on the Building on a "replacement value" basis in respect of fire, earthquake, extended coverage endorsement perils, and other casualties and contingencies against which a reasonable landlord would insure. The Landlord shall furnish to the Tenant on request certificates or other satisfactory evidence as to such insurance.

### **3.06 LANDLORD'S INDEMNITY**

The Landlord shall indemnify and save harmless the Tenant from and against any and all claims, demands, actions, liabilities, losses, charges, damages, costs and expenses whatsoever, including legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing to the extent that they are sustained, paid or incurred by reason

of or otherwise attributable to the negligence or willful acts or omissions of the Landlord or the breach by the Landlord of the terms of this Lease. This indemnity shall survive the termination or expiry of this Lease.

#### **4.00 MUTUAL COVENANTS**

And it is hereby mutually agreed between the Landlord and the Tenant as follows:

##### **4.01 ENVIRONMENTAL MATTERS**

The Landlord and the Tenant each agree to be bound by the environmental provisions contained in **Schedule "B"** to this Lease.

##### **4.02 DESTRUCTION OR DAMAGE**

If during the Term the Building shall be damaged, the following provisions shall have effect:

- (a) If the Building is rendered partially unfit for occupancy by the Tenant and remains so for at least 10 days, then the Rent hereby reserved shall abate from the date of the damage in the proportion that the area of which the Tenant is deprived bears to the total area of the Building demised until the Building has been repaired or restored;
- (b) If the Building is rendered wholly unfit for occupancy by the Tenant and remains so for at least 10 days, then the Rent hereby reserved shall be abated entirely from the date of the damage until the Building has been repaired or restored;
- (c) Notwithstanding the provisions of (a) or (b) of this Section 4.02, if the Building shall be incapable of being repaired or restored with reasonable diligence within 180 days of the happening of the damage, then either party may at its option, terminate this Lease by notice given within 30 days of the date of the damage. If such notice is given, this Lease shall cease and become null and void from the date of the damage and the Tenant shall within 30 days surrender the Demised Premises and all of its interest therein to the Landlord and the Rent shall be apportioned and shall be payable by the Tenant only to the date of such damage and the Landlord may re-enter and repossess the Demised Premises discharged of this Lease. If within the said period of 30 days the Tenant does not give notice terminating this Lease, or if within the said period the Tenant shall give notice to the Landlord that it will not give such notice, then the Landlord shall expeditiously repair and restore the Building, and shall make best commercial efforts to complete the repair or restoration within the 180 days or such other time as the Landlord and Tenant shall agree.

It is expressly understood and agreed that the obligation of the Landlord to rebuild and restore the Building shall not extend to or be deemed to include the rebuilding and restoration of any alterations, partitions, equipment or installments made by the Tenant. Should the Landlord receive insurance proceeds in respect of any such alterations, partitions, equipment or installments by the Tenant, the Landlord shall provide such proceeds to the Tenant forthwith on receipt.

##### **4.03 DEFAULT**

In the event that default is made in payment of Rent or any part thereof and such default continues for 7 days after notice thereof from the Landlord or in case of material non-performance or non-observance on the part of the Tenant of any covenant, condition, restriction or stipulation herein contained which ought to be observed or performed by the Tenant and which the Tenant does not cure or commence to cure



within 15 days after notice from the Landlord to do so and which the Tenant does not continue to cure with all due diligence or which has not been expressly waived in writing by the Landlord, the Landlord may at its option, in addition to exercising any other remedy available to it in law, terminate this Lease by written notice to the Tenant and the Landlord may re-enter into and upon the Demised Premises to have again, repossess and enjoy the same as of its former estate, anything herein to the contrary notwithstanding, provided however, that in case of such termination and re-entry, the full amount of the current month's and the next three (3) months' instalments of Rent shall immediately become due and payable, and further that any right of action of the Landlord against the Tenant in respect of any antecedent breach of any of the said covenants, restrictions and stipulations shall not thereby be prejudiced.

#### **4.04 RIGHT OF ENTRY**

The Tenant further covenants and agrees that, on the Landlord becoming entitled to terminate this Lease in accordance with the provisions hereof, the Landlord in addition to all other rights, shall have the right to re-enter the Demised Premises or any portion or portions thereof, either by force or otherwise, and to re-let the Demised Premises or any portion or portions thereof, to take possession of any furniture or other property on the Demised Premises and to sell the same at a public or private sale and to apply the proceeds of such sale and any rent derived from re-letting the Demised Premises upon account of the Rent due or accruing due under this Lease, and the Tenant shall be liable to the Landlord for any deficiency, if any, for the remainder of the Term.

#### **4.05 BANKRUPTCY OR SEIZURE**

In the event that the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or any order shall be made for the winding up of the Tenant then, in any such case, this Lease shall, at the option of the Landlord, cease and determine and the Term shall immediately become forfeited and void and the then current month's Basic Rent and the next ensuing 3 months' Basic Rent shall immediately become due and payable and the Landlord may re-enter and take possession of the Demised Premises as though the Tenant or other occupant or occupants of the Demised Premises was or were holding over after the expiration of the Term without any right whatsoever.

#### **4.06 LEGAL EXPENSES**

In case legal action shall be brought for recovery of possession of the Demised Premises, for the recovery of Rent or any amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Tenant to be kept or performed and a breach shall be established, the Tenant shall pay to the Landlord all costs and expenses incurred therefor, including legal fees on a solicitor and his own client basis.

#### **4.07 NON-WAIVER**

That failure of a party to insist upon strict performance of any of the covenants or conditions of this Lease or to exercise any right or option herein contained shall not be construed as a waiver or relinquishment of any such covenants, condition, right or option, but the same shall remain in full force and effect.

#### **4.08 LANDLORD AND TENANT TO ACT REASONABLY**

Wherever they are called upon to exercise their discretion or make a determination, the parties shall do so reasonably and without delay, unless it is expressly stipulated that consent or action may unreasonably be

withheld or delayed. The parties shall make reasonable commercial efforts to do everything that is to be done under this Lease.

#### **4.09 FORCE MAJEURE**

If either party shall fail to meet its obligations hereunder within the time prescribed, and such failure shall be caused or materially contributed to by force majeure (and for the purposes of this Lease, force majeure shall mean any acts of God, strikes, lockouts, or other industrial disturbances, acts of the Queen's enemies, sabotage, war, blockades, insurrections, riots, epidemics, lightning, earthquakes, floods, storms, fires, washouts, nuclear and radiation activity or fallout, arrests and restraints of rules and people, civil disturbances, explosions, breakage of or accident to machinery or stoppage thereof for necessary maintenance or repairs, inability to obtain labour, materials, or equipment, any legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, act, omission or event whether of the kind herein enumerated or otherwise not within the control of such party, and which by the exercise of due diligence such party could not have prevented, (but lack of funds on the part of such party shall be deemed not to be force majeure), such failure shall be deemed not to be a breach of the obligations of such party hereunder but such party shall use reasonable diligence to put itself in a position to carry out its obligations hereunder.

#### **4.10 NOTICES**

Any notice herein provided or permitted to be given by the Tenant to the Landlord shall be sufficiently given if delivered or if mailed, by registered mail, postage prepaid, in writing and addressed to the Landlord at the address set out in **Schedule "A"**. Any notice herein provided or permitted to be given by the Landlord to the Tenant shall be sufficiently given if delivered or if mailed, by registered mail, postage prepaid, in writing and addressed to the Tenant at the address set out in **Schedule "A"**. Notices mailed as aforesaid shall be conclusively deemed to have been received on the fifth business day following the day on which such notice is mailed. Either party may, at any time, give notice in writing in the manner hereinbefore provided to the other of any change of address of the party giving such notice, and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notice hereunder. Additionally, the Parties hereto may give notice to each other by fax at the fax number set out in **Schedule "A"** (and such fax number may be changed by written notice as set out herein), and by email at the email address set out in **Schedule "A"** (and such email address may be changed by written notice as set out herein). The word "**notice**" in this Section 4.10 shall be deemed to include any request, statement or other writing in this Lease provided or permitted to be given by the Landlord to the Tenant or by the Tenant to the Landlord.

#### **4.11 LANDLORD NOT TO UNREASONABLY INTERFERE**

Except as expressly provided otherwise in this Lease, there shall be no allowance to the Tenant by way of diminution of Rent or otherwise and no liability on the part of the Landlord by reason of inconvenience, annoyance or injury to business arising from the happening of the event which gives rise to the need for any repairs, alterations, additions or improvements or the making of any repairs, alterations, additions or improvement in or to any portion of the Demised Premises or in and to the fixtures, appurtenances, and equipment thereof. The Landlord agrees to use its best efforts to do any work done by it expeditiously and in such a manner as not to unreasonably interfere with or impair the Tenant's use of the Demised Premises.

#### **4.12 SUBORDINATION, NON-DISTURBANCE, ESTOPPEL CERTIFICATE**

This Lease and the Tenant's rights hereunder shall automatically be subordinate to any mortgage or mortgages, or encumbrance resulting from any other method of financing or refinancing, now or hereafter in force against the Demised Premises and to all advances made upon the security hereof. On the request of the Landlord, the Tenant shall execute such documentation as may be required to confirm and evidence such subordination. No subordination shall have the effect of disturbing the Tenant's occupation and possession of the Demised Premises. Subject to the foregoing, whenever requested by the Landlord, mortgagee or encumbrance holder or other third party having an interest in the Demised Premises, the Tenant shall within fifteen (15) days of the request execute and deliver an estoppel certificate or other form of certified acknowledgement as to the Commencement Date, the status and the validity of this Lease, the state of the rental account hereunder, any current defaults on the part of the Landlord alleged by the Tenant, and such other information as may reasonably be required in form and substance satisfactory to the Tenant, acting reasonably. Subject to the foregoing, the Tenant's failure to deliver such certificate or acknowledgment within the time provided shall be conclusive against the Tenant that the information set out in the certificate or acknowledgment which the Tenant was requested to execute is as set out in such certificate or acknowledgment.

#### **4.13 HEADINGS**

The parties hereto agree that the headings herein form no part of this Lease and shall be deemed to have been inserted for convenience of reference only.

#### **4.14 INTERPRETATION**

The terms "**Landlord**" and "**Tenant**" and the pronouns relating thereto, where used herein shall, where the context makes it appropriate, include the heirs, executors, administrators, successors and assigns of the parties hereto, and shall include the masculine, feminine and plural where the context or the party or parties hereto so require and, where there is more than one Tenant, all covenants shall be deemed joint and several.

#### **4.15 GOVERNING LAW**

This Lease and the use and occupation of the Demised Premises by the Tenant under this Lease shall all be governed by the laws of the Province of Alberta. Should any provision of this Lease and/or of its conditions be illegal or not enforceable under the laws of the Province of Alberta, it or they shall be severable and this Lease and its conditions shall remain in full force and be binding upon the parties as though such unenforceable provision or provisions had never been included.

#### **4.16 OVERHOLDING**

Upon the expiration or other termination of the Term, the Tenant shall quit and surrender the Demised Premises in good order and condition, ordinary wear and tear and damage by casualty excepted, and shall remove all its property therefrom, except as otherwise provided in this Lease. Unless otherwise agreed between the Landlord and the Tenant, if the Tenant shall continue to occupy the Demised Premises after the expiration of the Term, including for the purposes of the Tenant's compliance with its obligations under **Schedule "B"** of this lease the Tenant hereby agrees that the Basic Rent payable for each month or partial month that such overholding occurs shall be 125% of the prorated amount of Basic Rent that is payable for the last month of the Term.

#### **4.17 TIME OF THE ESSENCE**

Time is of the essence of this Lease.

#### **4.18 ENUREMENT**

This Lease and the terms and provisions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

#### **4.19 OPTION TO RENEW**

Provided the Tenant is not then in material default hereunder, the Tenant shall have an option to renew this Lease for a further term as set out in **Schedule "A"** at a rental rate to be agreed upon by the parties hereto or as determined by arbitration as set out below and subject to all the conditions herein contained, except as set out below.

- (a) This option must be exercised by notice in writing to the Landlord by the date that is one hundred eighty (180) days prior to the last day of the Term.
- (b) The rental rate for the renewal term shall be: (i) based on fair market rental value rates for premises of similar character and in geographical proximity to the Demised Premises, and (ii) be the fair market value for the lease of the Demised Premises prior to the commencement of such renewal period. For certainty, there shall be no free rent period during the renewal term.
- (c) In the event that the Tenant has exercised its option to renew and the rental rate of the Demised Premises has not been determined by the date upon which the new term commences, pending such determination the Tenant shall pay the Basic Rent paid by the Tenant to the Landlord during the Lease year preceding the commencement of the renewal term, and the parties shall re-adjust as of the date of the commencement of the new term promptly upon such determination being made.
- (d) As soon after the exercise of such option to renew as the rental rate of the Demised Premises has been determined, the Landlord and the Tenant shall enter into a Supplementary Lease modifying this Lease and renewing the Term, all as above provided, excepting that the Tenant shall not be entitled to a further renewal of this Lease except as set out in **Schedule "A"**.

#### **4.20 ARBITRATION**

- (a) In the event that a dispute arises between the Landlord and the Tenant under this Lease including but not limited to the Basic Rent during the renewal term, the Landlord and the Tenant covenant and agree to attempt to work together in good faith to resolve such dispute prior to referring the matter to arbitration in accordance with this Section 4.20. In the event the parties are not able to resolve the dispute within fifteen (15) days, either party may (but shall not be required to) refer the matter to arbitration, which shall be conducted as follows: the arbitration shall be conducted by one arbitrator selected pursuant to Section 4.20(b);
- (b) within three (3) business days following the referral to arbitration, the parties shall attempt to agree on a person to act as the arbitrator provided that, in the event of a dispute with respect to the rental rate for a renewal term under Section 4.19(b)), the Landlord and the Tenant agree that the arbitrator for such purpose shall be an accredited third party real property valuator in the Province of Alberta. If an agreement on the identity of such a person has not been reached within such

three (3) business day period, then the appointment shall be determined by a Justice of the Court of Queen's Bench of Alberta;

- (c) the arbitrator shall have the power to obtain the assistance, advice or opinion of any expert as the arbitrator may think fit and shall have the discretion to act upon the assistance, advice or opinion so obtained;
- (d) the arbitration shall take place in Grande Prairie, Alberta and be conducted in the English language;
- (e) the determination of the arbitrator regarding the dispute shall be given in writing and shall deal with questions of costs of the arbitration and all matters related thereto, as applicable. The arbitrator may award costs to any party and in the absence of any such award of costs, each party shall bear its own costs of the arbitration, provided that, in the event of a dispute with respect to the rental rate for a renewal term under Section 4.19(b), the Landlord and the Tenant agree to share equally the cost of the arbitrator;
- (f) in making its determination regarding costs, the arbitrator shall give consideration to the bona fide nature of the final offers made by the parties; and
- (g) the final determination of the arbitrator shall be final and binding, except that any party may appeal the final determination of the arbitrator to the Courts of the Province of Alberta on a question of law only.

#### **4.21 ENTIRE AGREEMENT**

This Lease represents the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions, written or oral. Further, the Landlord acknowledges and states, that all of the covenants and obligations of the Tenant prior to the date hereof in respect of its occupancy of the Demised Premises have been fully satisfied and are in good standing. The Landlord therefore acknowledges that it has no claim or cause of action against the Tenant in respect of the Land or the occupancy thereof by the Tenant prior to the date hereof, including in respect of the payment of Rent, repairs to the Buildings, or any environmental or other matters concerning the Demised Premises.

#### **4.22 COUNTERPART**

This Lease may be executed in counterpart including by way of facsimile or other electronic transmission and each such counterpart so executed shall be deemed to be an original and all such counterparts taken together shall constitute one and the same originally executed Lease.

#### **5.00 INDEMNIFIER**

Intentionally Deleted.

#### **6.00 SCHEDULES**

The following Schedules are incorporated into this Lease:

**Schedule "A" – Additional Terms**

**Schedule “B” – Environmental Provisions**

**Schedule “C” – Right of First Refusal**

**7.00 ACCEPTANCE**

The Tenant hereby accepts this Lease of the Demised Premises to be held by it as Tenant, and subject to the conditions, restrictions and covenants above set forth.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF the Parties hereto, have executed this Lease as of the day and year first above written.

LANDLORD

DDG HOLDINGS LTD.

PER: 

Name: Don Golden

Title: President

I have the authority to bind the Corporation

TENANT

COLLISION KINGS 3 ~~XXX~~ LTD.

PER: \_\_\_\_\_

Name: Shane Daerden

Title: President

I have the authority to bind the Corporation

**IN WITNESS WHEREOF** the Parties hereto, have executed this Lease as of the day and year first above written.

LANDLORD

**DDG HOLDINGS LTD.**

PER: \_\_\_\_\_

Name: Don Golden

Title: President

I have the authority to bind the Corporation

TENANT

**COLLISION KINGS 3 LTD.**

PER:  \_\_\_\_\_

Name: Shane Daerden

Title: President

I have the authority to bind the Corporation



## Schedule "A"

### Additional Terms

- 1.00 Legal Description: PLAN 2524KS  
BLOCK1  
LOTS 31-35 INCLUSIVE
- 1.00 Municipal Description: 12624-99 Street Grande Prairie, Alberta
- 1.00 Term of Lease: 10 years
- 1.00 & 1.01(a) Commencement Date: August 1, 2019
- 1.02(a) Basic Rent: (i) \$13.00 per square foot per annum for the first five (5) years of the initial Term or \$143,000 per annum paid in monthly instalments of \$11,916.67 plus GST; (ii) \$14.00 per square foot per annum for the last five (5) years of the initial Term or \$154,000 per annum payable in monthly instalments of \$12,833.33 plus GST.
- 1.05 Deposit \$25,987.50
- 4.09 Tenant's Address: \_\_\_\_\_
- Tenant's Email Address: \_\_\_\_\_
- 4.09 Landlord's Address: Attention: Debbie Golden  
PO Box 23209  
RPO Prairie Mall  
Grande Prairie, Alberta
- Landlord's Email Address: debbiegolden56@hotmail.com
- 4.18 Term of Option to Renew: Two, five (5) year renewal terms

## **SCHEDULE "B"**

### **Environmental Provisions**

#### **1. Definitions**

In this Lease:

- (a) "Environmental Laws" means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction:
  - (i) relating to pollution or the protection of human health or the environment (including workplace health and safety);
  - (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or
  - (iii) regulating the import, storage, distribution, labeling, sale, use, handling, transport or disposal of a Hazardous Substance; and
  
- (b) "Hazardous Substance" means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

#### **2. Compliance with Environmental Laws**

Without limiting any other obligation of the Tenant in this Lease, the Tenant covenants and agrees that it shall, at its sole cost and expense, observe and otherwise comply with, and require those for whom it is responsible at law to observe and comply with, all Environmental Laws. Without limiting the generality of the foregoing, the Tenant covenants and agrees that:

- (a) it shall not cause or permit any Hazardous Substance to be brought into, stored, kept or used in or about the Demised Premises or any part thereof, other than any Hazardous Substance that is used in the ordinary course of the permitted use being carried on at the Demised Premises and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto;
  
- (b) it shall not permit any emissions, discharges or releases of Hazardous Substances or materials containing Hazardous Substance from the Demised Premises, other than where such occurs in the ordinary course of the permitted use being carried on at the Demised Premises in strict compliance with all Environmental Laws pertaining thereto;
  
- (c) it shall not construct or install any underground storage tank in the Demised Premises; and
  
- (d) on the expiration or earlier termination of this Lease, it shall cause each and every Hazardous Substance which was brought into, stored, kept or used in or about the Demised Premises by

the Tenant or any party for whom it is responsible at law and then located on the Demised Premises, to be removed from the Demised Premises in compliance with all Environmental Laws pertaining thereto.

### **3. Notice of Orders**

The Tenant shall promptly provide the Landlord with written notice of any order, direction, notice of default or notice of legal action received by the Tenant pursuant to any Environmental Laws and relating to the Demised Premises, the use and occupation of the Demised Premises or the business carried on at the Demised Premises.

### **4. Right of Inspection**

The Landlord and its mortgagees and their agents, servants, employees and representative shall have the right (but not the obligation), from time to time and upon reasonable request and written notice provided to the Tenant not less than 48 hours in advance of the intended inspection, to inspect (including the right to conduct an environmental audit or assessment at its sole cost and expense) the Demised Premises for the purpose of determining whether the Tenant is in compliance with its obligations in this **Schedule "B"**. Where the inspection is conducted in response to the Landlord's reasonable suspicion based on information and evidence, that the Tenant has caused or is causing environmental harm to the Demised Premises that will require immediate remediation, the Tenant shall pay, as Additional Rent, any reasonable costs incurred by the Landlord in making such inspections of the Demised Premises if, by virtue of such inspection, the Tenant is determined to be in default under this Lease. Such costs shall be paid forthwith on demand. The Tenant authorizes the Landlord to make inquiries from time to time with any governmental authority having jurisdiction in respect of matters relating to the Tenant's compliance with Environmental Laws at the Demised Premises, and the Tenant agrees to provide any further authorization as may be required to facilitate the obtaining of such information.

### **5. Rectification of Breach**

In the event that it is determined by applicable regulator or governmental authority that the Tenant is in breach of its obligations in this Schedule, the Landlord may, without limiting any other rights or remedies, provide the Tenant with notice in writing of the breach, and the Tenant shall commence to rectify such breach at the Tenant's sole cost and expense, and shall complete such rectification as soon as reasonably possible. In the event that the Tenant does not commence to rectify such breach, the Landlord may, at its option and in its sole discretion, terminate this Lease without any further notice, or may rectify such breach at the cost of the Tenant, and the Tenant shall forthwith, on demand, reimburse the Landlord for the reasonable cost of such rectification. Such amount shall be payable and collectible as Additional Rent.

### **6. Remediation**

If any governmental authority shall require the clean-up of any Hazardous Substance held, released, spilled, abandoned or placed on the Demised Premises or released in to the environment by the Tenant or any party for whom the Tenant is responsible at law, or as a result of the use or occupancy of the Demised Premises by the Tenant or any party for whom the Tenant is responsible at law, the Tenant shall, and subject to Section 9, at its own expense: (a) prepare or requisition all necessary studies, plans and proposals required as a result thereof; (b) obtain all necessary approvals of such authorities required to complete the remediation required pursuant to such studies or reports to the standards required by all Environmental Laws; (c) provide all bonds and other security required by such authorities in connection with the foregoing; and (d) carry out and complete the remediation to the standards required by all

Environmental Laws. The Tenant shall also provide the Landlord with copies of the plans and reports and keep the Landlord advised from time to time as to the status of its remediation and other work.

#### **7. Hazardous Substances Remain Property of Tenant**

If the Tenant or any party for whom the Tenant is responsible at law creates or brings to the Demised Premises any Hazardous Substance, or if the conduct of business by the Tenant during the Term at the Demised Premises shall cause there to be any Hazardous Substance at the Demised Premises, then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant, and shall not become the property of the Landlord notwithstanding the degree of affixation to the Demised Premises of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiration or earlier termination of this Lease.

#### **8. Landlord's Indemnity**

The Landlord agrees to indemnify and save harmless the Tenant, its shareholders, directors, officers, agents, servants, employees and others for whom the Tenant is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of any breach by the Landlord of any provisions of this Lease, or any non-compliance by the Landlord or any party for whom it is responsible at law, with any Environmental Law including, without limitation, any non-compliance by the Landlord with any Environmental Law and any contamination of the Demised Premises preceding the commencement of this Lease. This indemnity shall survive the termination or expiry of this Lease.

#### **9. Tenant Indemnity**

The Tenant agrees to indemnify and save harmless the Landlord, its shareholders, directors, officers, mortgagees, and their agents, servants, employees and others for whom the Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of any breach by the Tenant of any provisions of this Schedule, or any non-compliance by the Tenant or any party for whom the Tenant is responsible at law, with any Environmental Law, except to the extent that such things are insured against (or should have been insured against under the terms of this Lease) by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible. This indemnity shall survive the termination or expiry of this Lease.

#### **10. Survival of Obligations**

The covenants and agreements of, and indemnification by, the Tenants contained in this Schedule shall survive the expiration or earlier termination of this Lease notwithstanding anything herein contained to the contrary.

**SCHEDULE "C"**

**RIGHT OF FIRST REFUSAL AGREEMENT**

THIS AGREEMENT made this 1st day of August, 2019.

BETWEEN:

**DDG HOLDINGS LTD.**  
(the "Grantor")

- and -

**AMALCO ALBERTA LTD.**  
(hereinafter referred to as the "Grantee")

**RECITALS:**

- A. The Grantor is the registered owner of an estate in fee simple of those certain lands situate in the Grande Prairie, in the Province of Alberta legally described as follows:
- PLAN 2524KS  
BLOCK1  
LOTS 31-35 INCLUSIVE  
(the "Lands")
- B. There is currently situated on the Lands, a building owned by the Landlord (the "Building");
- C. The Grantor has agreed to grant to the Grantee a right of first refusal with respect to Lands and the Building (collectively called the "Property") on the terms and conditions set out in this agreement.

**THIS AGREEMENT WITNESSES:**

1. In consideration of the entering into the lease dated August 1, 2019 (the "Lease") between the Grantor and the Grantee and the sum of one dollar (\$1.00) and other good and valuable consideration paid by the Grantee to the Grantor, the receipt and sufficiency of which is hereby acknowledged, the Grantor hereby grants to the Grantee an irrevocable right of first refusal to acquire the Property, or any portion thereof, or interest therein, on the terms and conditions set out in this agreement.

2. Notwithstanding the foregoing, the Grantor's obligations and the Grantee's rights under this agreement shall only be effective if the Grantee is not in material default under the Lease at the time of a First Refusal Offer as defined herein below is made. The rights under this agreement shall terminate upon the expiration of the lease or the termination of the lease arising from the Grantee's default under the lease, whichever shall occur.
3. For the purpose of this agreement:
  - (a) "First Refusal Offer" means any bona fide third party offer to sell, purchase or lease, agreement to lease, offer to purchase, or any other agreement of whatsoever kind of nature whereby the Grantor disposes of or conveys or agrees to dispose of or convey, either directly or indirectly, all or any portion of the Property or all or any portion of its interest therein;
  - (b) "Disposition" means the conveyance, sale, transfer, assignment, lease, or any other disposition whatsoever, either directly or indirectly, of all or any portion of the Grantor's interest in the Property, of its legal or beneficial interest or both.
4. The Grantor shall not permit a Disposition of the Property to occur until it has first offered the Grantee the right to acquire the interest in the Property contained in the First Refusal Offer on the identical terms and conditions set out therein. Upon receipt of any First Refusal Offer the Grantor shall immediately deliver to the Grantee by both mail and e-mail to the addresses set out in this agreement complete and true copies thereof. In the event that a First Refusal Offer pertains to a group of properties or assets which include any interest in all or any portion of the Property, the Grantee shall have the right to acquire the subject interest in the Property on only those terms and conditions that directly pertain to the Property at the price allocated to the Property in the First Refusal Offer
5. Upon receipt of the First Refusal Offer, the Grantee shall have ten (10) days to advise the Grantor in writing whether it elects to acquire the interest in the Property contained in the First Refusal Offer on the same terms and conditions set out therein. If the Grantee does not advise the Grantor in writing within the required time that it elects to acquire the interest in the Property contained in the First Refusal Offer on the terms and conditions set out therein, the Grantee shall be deemed to have rejected such an offer.
6. If the Grantee notifies the Grantor that it does not elect to acquire the interest in the Property contained in the First Refusal Offer or is deemed to have rejected such offer, the Grantor may then proceed with the Disposition of the interest in the Property as contained in the First Refusal Offer, but only upon and subject to the terms and conditions contained therein and not otherwise. For greater certainty the parties acknowledge and agree that if the terms and conditions for the First Refusal Offer are at any time changed, altered, or amended in any way whatsoever following the Grantees rejection or deemed rejection of the First Refusal Offer, the Grantor shall not permit a Disposition of the Property to occur unless it has first complied on all such occasions with the requirements of this agreement.

7. If the Grantee does not elect to acquire the interest in the Property contained in the First Refusal Offer or is deemed to have rejected such offer in accordance with the terms of Section 6 hereof and the transaction contemplated by the First Refusal Offer does not close in accordance with the terms and conditions thereof, the Grantee's right of first refusal with respect to the Property shall survive. For greater certainty and without limiting any provisions relating to the Grantee's right of first refusal, it is acknowledged that if the First Refusal Offer is only with respect to a portion of the Property or the Grantee's interest therein, the right of first refusal granted pursuant to this agreement shall apply with respect to the remainder of the Property and the Grantor' interest therein.
8. If the Grantee does not elect to acquire the interest in the Property contained in the First Refusal Offer or is deemed to have rejected such offer in accordance with the terms of Section 6 hereof and the transaction contemplated by the First Refusal Offer closes in accordance with the terms and conditions thereof, the Grantee's right of first refusal shall not survive or remain in effect against the Grantor' successors in title to the Property and the Grantee shall discharge any registrations against the Lands in respect of the rights contained in this agreement.
9. If the Grantee advises the Grantor that it elects to acquire the interest in the Property contained in the First Refusal Offer then the transaction contemplated therein shall close and be completed subject to and in accordance with the terms and conditions of the First Refusal Offer.
10. Notwithstanding anything to the contrary expressed or implied in Sections 3 or 4 or elsewhere in this agreement, the Grantor agrees that if the First Refusal Offer contains any conditions which are required to be met or satisfied by or on behalf or in favour of the party acquiring the interest in the Property pursuant to the First Refusal Offer other than the compliance with the terms of this agreement (collectively called the "Buyers Condition"), the Grantor shall also provide the Grantee at the time of delivery of the First Refusal Offer to it, evidence that the Buyers Conditions have been met and satisfied. The Grantor agrees that the Grantee shall not be required to make its election to acquire the interest in the Property contained in the First Refusal Offer to it on the terms and conditions set out therein and the provisions of Section 4 of this agreement, including any deemed rejection of the First Refusal Offer, shall not apply until the Buyer's Conditions have been met and evidence thereof provided to the Grantee at the time and in the manner required pursuant to this Section 10.
11. Any notice, correspondence or communication (collectively called a "Notice") required to be given shall be sufficiently given if delivered in person addressed to the parties as follows:

To the Grantor:

Attention: Debbie Golden  
PO Box 23209

RPO Prairie Mall  
Grande Prairie, Alberta

with a copy to:

Lewis & Chrenek LLP  
108, 9824 – 97<sup>th</sup> Avenue  
Grande Prairie, AB T8V 7K2  
Attention: Gordon D. Chrenek  
Facsimile: 780.539.7975  
Email: gord@lewischrenek.com

To the Grantee:

c/o Collision Kings Group Inc.  
149 PTH 16 W  
Neepawa, Manitoba, R0J 1H0

Attention: Shane Daerden  
Email: sdaerden@gmail.com

with a copy (which shall itself not constitute notice) to:

MLT Aikins LLP  
360 Main Street, 30th Floor  
Winnipeg, Manitoba  
R4C 4G1

Attention: Steven J. Kohn / Melissa I. Cattini  
Fax Number: 204-957-4607 / 204-957-4481  
Email: skohn@mltaikins.com and mcattini@mltaikins.com

or to such other address as the Grantor or the Grantee may designate in writing from time to time. Any Notice delivered shall be deemed to have been received on the date of delivery. The parties may at any time hereafter change their address for the giving of any Notice in the manner provided pursuant to this Section 11. Time shall be and remain of the essence of this agreement.

12. If any term, covenant or condition of this agreement or the application thereof to any party or circumstance shall to any extent be invalid or unenforceable, the remainder of this agreement or application of its terms, covenants or conditions to a party or circumstance other than those to which it is held invalid or unenforceable shall to be affected thereby and every term, covenant or condition of this agreement shall be valid and shall be enforceable to the full extent permitted by law.



13. This agreement shall enure to the benefit of and be binding upon the Landlord hereto and its successors and assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands. Provided however, the covenants contained in this agreement are personal to the Grantee and cannot be assigned to any third party without the consent of the Landlord, which consent may be withheld for any reason. For the purposes of this agreement, any change in control of Tenant shall be considered an assignment under this Section 13.
14. This agreement may be executed in counterpart including by way of facsimile or other electronic transmission and each such counterpart so executed shall be deemed to be an original and all such counterparts taken together shall constitute one and the same originally executed agreement.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF the parties have caused their respective corporate seals to be affixed hereto by the hands of their proper officers duly authorized in that behalf as of the day and year as set out above.

**DDG HOLDINGS LTD.**

PER: \_\_\_\_\_

**COLLISION KINGS 3 LTD.**

PER:  \_\_\_\_\_

IN WITNESS WHEREOF the parties have caused their respective corporate seals to be affixed hereto by the hands of their proper officers duly authorized in that behalf as of the day and year as set out above.

**DDG HOLDINGS LTD.**

PER:  \_\_\_\_\_

**COLLISION KINGS 3 LTD.**  
**XXXX**

PER: \_\_\_\_\_

**THIS IS EXHIBIT "61" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**COMMERCIAL LEASE AGREEMENT**

THIS LEASE made effective the 25<sup>th</sup> day of November, 2019.

BETWEEN:

**CITY CENTER AUTO BODY LTD.**  
(the "Landlord")

AND

**2199931 ALBERTA LTD.**  
(the "Tenant")

WITNESSETH AS FOLLOWS:

**Article 1 — Basic Terms, Definitions**

**1.1 Basic Terms**

- (a) Landlord: CITY CENTER AUTO BODY LTD.  
Address: c/o #103, 5004 – 18 Street, Lloydminster, Alberta, T9V 1V4
- (b) Tenant: 2199931 ALBERTA LTD.  
Address: 2200, 10235 – 101 Street NW, Edmonton, Alberta, T5J 3G1
- (c) Premises: the lands and premises legally described in Schedule "A" and municipally known as 5607 – 44th Street, Lloydminster, Alberta
- (d) Rentable Area of Premises: the area of the building forming part of the Premises measured to the outside surface of the outer building wall, approximately 14,280 square feet
- (e) Term: Ten (10) Years, subject to Section 2.3

Commencement Date: November 25, 2019

End of Term: November 25, 2029, subject to Sections 2.3 and Section (3) in **Schedule "B"**.

- (f) Basic Rent (Section 4.1):

<u>Period</u>	<u>Per Year</u>	<u>Per Month</u>
November 25, 2019, to November 25, 2024	\$212,200.00	\$17,850.00
November 25, 2024, to November 25, 2029	Fair Market Rent	

Basic Rent was notionally calculated based upon \$15.00 per square foot of Rentable Area of the Premises, but there shall be no adjustment if the Rentable Area of the Premises is subsequently determined to be greater or less than 14,280 square feet

- (g) Permitted Use (Section 7.1): commercial premises for the operation of an auto body repair shop business and such operations ancillary thereto.
- (h) Deposit: \$35,700.00 (plus GST).
- (i) Extension Rights, as set out in **Schedule “B”**
- (j) The following Schedules are annexed to and form part of this Lease, as if set forth herein:

Schedule “A” Legal Description  
Schedule “B” Additional Terms & Conditions  
Schedule “C” Environmental Matters

## 1.2 Definitions

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) “Additional Rent” has the meaning ascribed to it in Section 5.1;
- (b) “Basic Rent” means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) “Building Systems” means:
  - (i) the HVAC Equipment and all other systems, services, installations and facilities from time to time installed in or servicing the Premises (or any portion thereof) including, but not limited to, the following systems, services, installations and facilities: mechanical (including plumbing, drainage and sewage), electrical and other utilities, lighting, ice and snow removal, refuse removal, and window washing; and
  - (ii) all machinery, appliances, equipment, apparatus, components, and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them;
- (d) “Commencement Date” means the date set out in Section 1.1(e), as such may be varied pursuant to the terms of this Lease;
- (e) “Deposit” means a deposit in the amount of \$35,700.00 plus GST as more particularly described in Section 3.4;
- (f) “Event of Default” has the meaning set out in Section 13.1;
- (g) “Fair Market Rent” means the fair market rent for the Premises (in a condition including leasehold improvements) as at the end first five (5) years of the Term that an arms-

length third party tenant would be willing to pay as rent in cash consideration for the Premises in the open market with regard to market conditions prevailing at such time, as determined in accordance with Section 4.2;

- (h) "HVAC Equipment" means heating, ventilating and air-conditioning equipment, facilities and installations;
- (i) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (j) "Mortgage" means any mortgage or other security against the Premises and/or the Landlord's interest in this Lease, from time to time;
- (k) "Mortgagee" means the holder of any Mortgage from time to time;
- (l) "Premises" means the lands and premises identified in Section 1.1(c), and all rights and easements appurtenant thereto;
- (m) "Realty Taxes" means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Premises or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;
- (n) "Rent" means all Basic Rent and Additional Rent;
- (o) "Rental Taxes" means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date of this Lease or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (p) "Term" means the period specified in Section 1.1(e) and, where the context requires, any renewal, extension or overholding thereof;
- (q) "Transfer" means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred upon any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, or any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy

of any part of the Premises; and

(r) "Transferee" means any person or entity to whom a Transfer is or is to be made.

## **Article 2 — Demise and Term**

### **2.1 Demise**

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. Subject to Schedule "C", the Tenant accepts the Premises "as is, where is" in their state and condition existing at the Commencement Date.

### **2.2 Term**

Subject to section 2.3, the Term shall commence on the Commencement Date, run for the period set out in Section 1.1(e), and end on the date set out in Section 1.1(e), unless terminated earlier pursuant to the provisions of this Lease.

### **2.3 Delay in Possession**

Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Commencement Date, then and only then shall the start of the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession.

### **2.4 Overholding**

This Lease shall automatically terminate on the last day of the Term or any extension thereof and any occupancy of the Premises by the Tenant after that date shall not have the effect of extending or renewing the Lease for any period of time, whether by way of tacit renewal at law or otherwise. The Tenant shall in such case be deemed to be occupying the Leased Premises against the will of the Landlord, who shall have the right to avail itself of any and all recourse provided by law to evict the Tenant and claim for damages. Notwithstanding the foregoing, if the Tenant does in fact remain in possession of the Leased Premises after the Term prior to eviction by the Landlord as aforesaid, the Tenant will be deemed to be occupying the Leased Premises as a month to month tenant. The monthly Rent, payable in advance on the first day of each month, will be equal to the total of: (a) one hundred and fifty percent (150%) of the Base Rent payable for the last month of the Term, and (b) an amount equal to the Additional Rent payable for the last month of the Term. All of the other provisions of this Lease will apply as far as practicable, to a month to month tenancy. This Section 2.4 shall survive the expiry or termination of this Lease. Nothing in this Section 2.4 shall be interpreted or deemed as permitting the Tenant to overhold the Premises.

## **Article 3 — Rent**

### **3.1 Covenant to Pay, Net Lease**

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties



that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Premises, and that the Tenant shall pay, as Additional Rent, all charges, impositions and expenses of every nature and kind relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly. For certainty, the Tenant will pay GST on Rent and any other GST imposed by the applicable legislation on the Tenant in respect of this Lease, in the manner and at such times directed by the applicable legislation. The Landlord will have all of the same remedies and rights of recovery from the Tenant in respect thereof as it has in respect of non-payment of Rent hereunder.

### **3.2 Rental Taxes**

The Tenant will pay to the Landlord the Rental Taxes assessed upon: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease but may be recovered by the Landlord as though they were Additional Rent.

### **3.3 Payment Method**

The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

### **3.4 Deposit**

Simultaneously with the Tenant's execution of this Lease, the Tenant shall deposit with the Landlord the Deposit as security for the performance by the Tenant of all of the Tenant's obligations, covenants, conditions, and agreements under this Lease. The Landlord shall not be required to maintain the Deposit in a separate account. If an Event of Default occurs under this Lease by the Tenant, Landlord shall have the right, but not the obligation, to use, apply, or retain all or any portion of the Deposit for the payment of: (i) Rent, Additional Rent or any other sum as to which the Tenant is in default; or (ii) the amount the Landlord spends or may become obligated to spend, or to compensate the Landlord for any losses incurred by reason of the Tenant's default. If any portion of the Deposit is so used or applied, then within fifteen (15) after the Landlord gives the Tenant written notice, the Tenant shall deposit with the Landlord cash in an amount sufficient to restore the Deposit to the original amount. The Tenant's failure to do so shall constitute an Event of Default under this Lease. The Deposit is non-refundable and shall be applied against any unpaid Rent. In the event that the Deposit has not been used or applied on account of other indebtedness, as herein provided, the Deposit shall be applied against the last two months' Rent, without prejudice to the Landlord's right to demand restoration of the Deposit as herein provided.

### **3.5 Rent Past Due**

If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time such Rent becomes due until paid by the Tenant.

### 3.6 Partial Periods

If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, Rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

## Article 4 — Basic Rent

### 4.1 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever, as annual Basic Rent, the sum(s) set out in Section 1.1(f) of this Lease in equal monthly instalments in advance in the amount(s) set out in Section 1.1(f), on the first day of each and every month during the Term.

### 4.2 Calculation of Fair Market Rent

For the purposes of determining Fair Market Rent the Landlord and the Tenant shall, in the first instance, use reasonable efforts to reach a mutual agreement as to the amount of Fair Market Rent. If the Landlord and the Tenant cannot agree in writing to the Fair Market Rent for the Premises three (3) months prior to commencement of the second five (5) years of the Term, Fair Market Rent shall be determined as follows:

- (a) The Landlord shall within fifteen (15) days deliver a notice (the “**Appraisal Notice**”) to the Tenant naming three (3) qualified arms’ length third party appraisers whom the Landlord proposes to determine the Fair Market Rent for the Premises (the “**Determination**”);
- (b) the Tenant shall, within fifteen (15) days of receipt of the Appraisal Notice, deliver a notice to the Landlord wherein the Tenant shall accept the appointment of one of the three (3) appraisers named in the Appraisal Notice (the “**Chosen Nominee**”), in which case the Chosen Nominee so designated shall forthwith conduct the Determination. If, however, within the said fifteen (15) day period referred to above the Tenant shall fail to accept the appointment of one of the three (3) named appraisers, then the Landlord shall be entitled, within seven (7) days of the expiration of such fifteen (15) day period, to designate one (1) of the appraisers as the Chosen Nominee, and the Chosen Nominee so designated by the Landlord shall forthwith conduct the Determination;
- (c) as soon as the Chosen Nominee has been selected in accordance with the foregoing provisions the Determination shall be conducted in accordance with the terms hereof and a written report (the “**Report**”) shall be delivered by the

Chosen Nominee to each of the Tenant and the Landlord within thirty (30) days of the date of the selection of the Chosen Nominee;

- (d) the Chosen Nominee shall report to the Landlord and the Tenant, setting forth its opinion of the Fair Market Rent for the Premises as of the date of such Report. The Fair Market Rent for the Premises determined by the Chosen Nominee shall be final and binding on the Landlord and the Tenant; provided that if the Fair Market Rent determination by the Chosen Nominee is less than the Basic Rent during the first five (5) years of the Term, Fair Market Rent shall be deemed to be the Basic Rent during the first five (5) years of the Term; and
- (e) If Fair Market Rent has not been determined prior to commencement of the second five (5) years of the Term, the Tenant shall pay Basic Rent at an amount equal to the Basic Rent payable during the last year of the first five (5) years of the Term, and the parties shall readjust promptly upon such determination having been made with interest payable on the unpaid balance or deficiency paid by the Tenant as finally determined at the rate of five (5%) per annum.

### 5.1 Additional Rent

(1) In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord or as otherwise provided in this Lease, in lawful money of Canada, without any deduction, abatement or set-off whatsoever (except as provided for in Section 12.1 of this Lease) all costs, expenses, fees, rentals, disbursements and outlays (in this definition collectively as “**costs**”) of every kind, whether direct or indirect, paid, payable or incurred by or on behalf of the Landlord on an accrual basis (or on a cash basis to the extent that the Landlord determines) in the ownership, maintenance, repair, replacement, operation, administration, supervision and management of the Premises and access (“**Additional Rent**”), including, without limitation:

- (a) the cost of the Landlord's insurance as provided herein;
- (b) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises;
- (c) all charges, costs, accounts and any other sums payable by reason of the supply of utilities and services to the Premises;
- (d) the costs to repair or replace non-structural maintenance and repair of the roof and/or roof membrane
- (e) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant;

provided that for the purposes of determining the Additional Rent payable by the Tenant hereunder, such operating costs shall NOT include:

- (f) debt service, including without limitation, refinancing costs, interest on debt or capital retirement of debt;
- (g) costs for which the Landlord is reimbursed by the proceeds of insurance;

- (h) costs recovered by the Landlord under a warranty;
- (i) income taxes in respect of income received from leasing the Premises;
- (j) any capital expense, amortization of capital expense or depreciation of the original cost of the building forming part of the Premises including any amortization of costs related to additions or expansions of the building forming part of the Premises;
- (k) costs arising out of or in connection with the performance or compliance with the Landlord's obligations pursuant to Section 8.2 of this Lease by or on behalf of the Landlord; and
- (l) costs in relation to the water well referred to in Schedule "B" including but not limited to all costs in relation to inspecting and making repairs, alterations or improvements to the said water well.

(2) All of the payments set out in this Lease (other than Rental Taxes) shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not paid as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

(3) Additional Rent shall be payable in advance on the Commencement Date and thereafter in monthly instalments on the first day of every month during the Term, based on the Landlord's estimates but subject to adjustment when the actual amounts are determined pursuant to Section 5.6 of this Lease. Additional Rent in the first year of the Lease is estimated to be \$23,539.90 in the aggregate (comprised of \$18,564.80 of applicable taxes and \$4,975 for the Landlord's insurance), and \$1,961.65 per month.

## **5.2 Realty Taxes**

The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Premises, or any part thereof, in accordance with the following:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required such that the Landlord will have in its hands an amount sufficient to pay each instalment of Realty Taxes when due to the taxing authorities. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such year; and
- (b) if the Landlord so directs, the Tenant shall pay Realty Taxes directly to the taxing authorities. In that event, the Tenant shall make payment, on or before the due date, of each instalment and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.

### **5.3 Business and Other Taxes**

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed upon the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

### **5.5 Landlord's Insurance Costs**

The Tenant shall pay to the Landlord, as Additional Rent, all costs of the Landlord in maintaining its insurance as contemplated herein in accordance with the following:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required, such that the Landlord will have in its hands an amount sufficient to pay its insurance invoices. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such year; and
- (b) if the Landlord so directs, the Tenant shall reimburse it for the cost of insurance upon demand.

### **5.6 Annual Readjustment of Additional Rent**

As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Realty Taxes, and other Additional Rent, based on the actual costs incurred therefor by the Landlord, and shall notify the Tenant of such determination, providing reasonable details as to the breakdown and calculation thereof and, upon reasonable request, documentation in support of such costs. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay such shortfall within thirty (30) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest, to be applied to payments falling due under this Lease. In the event of any dispute, the report of the Landlord's auditor or accountant as to the Additional Rent shall be conclusive as to the amount thereof for any period to which such report relates. Neither the Landlord nor the Tenant may claim any adjustment on account of Additional Rent for any fiscal period more than two (2) years after the date of delivery of the statement for such period.

## **Article 6 — Utilities and Building Systems**

### **6.1 Payment for Utilities**

The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises. The Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

### **6.2 No Overloading**

The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

### **6.3 Limit on Liability**

Neither the Landlord nor the Tenant shall be liable for any loss of profits or business interruption, indirect or consequential damages in connection with this Lease.

### **6.4 Building Systems**

Subject to Section 8.2 below, the Tenant shall, throughout the Term, operate, maintain, repair regulate and replace, if required, the Building Systems in a commercially reasonable manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the Building Systems in a good and working order, all consistent with the past practices of the Landlord. The Landlord and the Tenant shall, within sixty (60) days of the Commencement Date determine and agree on the applicable maintenance schedule and standards for such maintenance and repair obligations set forth in this Section 6.4, each acting reasonably and having regard for the practice of the Landlord and including, without limitation, the condition as at the Commencement Date of the applicable portions of the Building Systems comprising the Premises.

## **Article 7 — Use of Premises**

### **7.1 Use of the Premises**

The Tenant acknowledges that the Premises will be used solely for the purposes set out in Section 1.1(g), and for no other purpose without the prior written consent of the Landlord.

### **7.2 Observance of Law**

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters.

### **7.3 Waste, Nuisance, Overloading**

The Tenant shall not do or suffer any waste or damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Premises, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

## **Article 8 — Maintenance, Repairs and Alterations of Premises**

### **8.1 Tenant's Obligations**

- (a) The Tenant covenants to keep, throughout the Term, the Premises in a good and reasonable state of repair and cleanliness consistent with the general standards applicable to buildings of a similar nature in the vicinity of the Premises and having regard to the permitted use of the Premises and the condition of the Premises as at the Commencement Date. Notwithstanding the foregoing, the Tenant shall not be responsible for any items that are within the Landlord's Obligations pursuant to Section 8.2 of this Lease;
- (b) The obligations of the Tenant shall include, without limitation, snow removal and pest control for the Premises, routine maintenance, repair and replacement (if necessary) to the Premises including both the interior and exterior portions (for certainty, including the parking lot and yard area, overhead doors and exterior and interior doors and windows) thereof, gardening of the Premises and painting and decorating of the Premises;
- (c) The Tenant shall enter into an arrangement with a local certified and reputable contractor determined and agreed upon by the Landlord pursuant to Section 6.4 to provide maintenance of the HVAC Equipment. The Tenant shall promptly provide the Landlord with evidence of the completion of the aforementioned maintenance upon the written request of the Landlord; and
- (d) The Tenant shall arrange to have the wash bay pits vacuumed out by a reputable vac truck company and the waste therein properly disposed of as required.

### **8.2 Landlord's Obligations**

The Landlord shall be responsible for the following without the ability to seek reimbursement from the Tenant arising from:

- (1) repairs of a capital nature;
- (2) repairs and replacements to the building forming part of the Premises arising from structural defects or weakness;

- (3) repairs to the structural portions of the roof system of the building forming part of the Premises (but excluding non-structural maintenance and repair of the roof and/or roof membrane which shall be included in Additional Rent);
- (4) repairs to the foundation, interior or exterior bearing walls supporting beams and columns to building forming part of the Premises;
- (5) any damage or loss to the Premises and/or the Tenant occasioned by the negligence or willful act of the Landlord or any party for whom the Landlord is at law responsible or a breach by the Landlord of any term, covenant or obligation under this Lease;

provided, however, if the Landlord is required to repair or replace structural portions or any portion of the Premises by reason of the negligent acts or omissions of the Tenant or any party for whom the Tenant is responsible at law, the expense of the necessary repairs shall be borne by the Tenant and paid on demand as Additional Rent, except to the extent such repair costs are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible.

### **8.3 Inspection and Repair on Notice**

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time, without notice, for the purpose of making emergency repairs, and during normal business hours on no less than twenty-four (24) hours prior written notice to the Tenant, for the purpose of inspecting and making repairs, alterations or improvements to the Premises including repairs to the water well referred to in Schedule "B", or for the purpose of having access to the under-floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby.

The Landlord, its servants, agents and contractors may, at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the reasonable opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord will take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises.

The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

The Landlord and the Tenant shall comply with all provisions of applicable law related to the making of any repairs, replacements, alterations, changes, substitutions, improvements of or to the Premises.

### **8.4 Alterations**

The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The



Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Premises, its equipment or services necessitated thereby.

### **8.5 Signs**

The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Premises or that is visible from the outside of the Premises without the prior consent of the Landlord, not to be unreasonably withheld.

### **8.6 Construction Liens**

If any construction or other liens or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within twenty-one (21) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens or orders against the Tenant at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders. In the event the Tenant does not cause the discharge of any liens or order for payment within the twenty-one (21) day period noted above, the Landlord may, in its sole discretion, elect to make such payment or take such action as may be necessary or expedient to discharge the lien, whether or not the validity of such lien is admitted or denied by the Tenant and whether or not the lien is valid, including but not limited to making direct payment to the lien claimant, and the Tenant shall reimburse Landlord for all the Landlord's reasonable expenses incurred in so doing (including the amount of the lien) plus an administrative fee of 15%. The Tenant shall also pay interest on sums outstanding calculated at the rate of 18% per annum.

### **8.7 Removal of Improvements and Fixtures**

(1) All Leasehold Improvements shall immediately upon their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or upon the expiry or earlier termination of the Term, except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease and, at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the

Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

(2) The Tenant shall, at its own expense, repair any damage caused to the Premises by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any Building Systems or light fixtures. The Landlord shall be under no obligation to repair or maintain the Leasehold Improvements, the Tenant's trade fixtures or any other items installed by the Tenant except, for certainty, solely to the extent the damage is caused by the negligence or willful act of the Landlord or those for whom it is at law responsible.

### **8.8 Surrender of Premises**

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up unto the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 8.7, subject to normal wear and tear and with regard to the age and condition of such facilities as at the Commencement Date.

## **Article 9 — Insurance and Indemnity**

### **9.1 Tenant's Insurance**

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;

- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be upon such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 9.1(a) and 9.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 9.1(b) and 9.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord, on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

## **9.2 Landlord's Insurance**

The Landlord shall maintain insurance on the Premises against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Premises. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Premises and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

## **9.3 Increase of Landlord Premiums**

If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Premises or any part thereof, causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Premises, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Premises showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

#### **9.4 Tenant Indemnity**

Subject to Section 9.6 hereof, the Tenant will indemnify the Landlord and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property and legal fees on a solicitor-client basis, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant, its officers, employees, agents, contractors, invitees, licensees or by or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provisions of this Lease, except to the extent that any such liabilities, claims or expenses are caused by, arise by reason of or in connection with the negligence or intentional act of the Landlord or those for whom the Landlord is in law responsible. This indemnity shall survive the termination or expiry of this Lease.

#### **9.5 Landlord Indemnity**

Subject to Sections 9.6 and 9.7 hereof, the Landlord will indemnify the Tenant and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses, including reasonable legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing, to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to: (a) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (b) arising from the breach by the Landlord of any provisions of this Lease. This indemnity shall survive the termination or expiry of this Lease.

#### **9.6 Mutual Release**

Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party under this Lease, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party; and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

## 9.7 Release of Landlord

Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (ii) arising from the breach by the Landlord of any provisions of this Lease (all of the foregoing referred to herein as the “**Tenant Exceptions**”), the Tenant hereby releases the Landlord from any and all claims, actions, causes of action, damages, demands for damages and other liabilities, that may be made by the Tenant against the Landlord under the provisions of this Lease. The Tenant agrees that the Landlord, except to the extent arising from the Tenant Exceptions, shall not be liable for and hereby releases the Landlord from:

- (a) any and all claims, actions, causes of action, damages, demands for damages and other liabilities:
  - (i) for or related to any bodily injury, personal injury, illness or discomfort to or death of the Tenant or any of its agents, officers, contractors, employees, invitees, licensees and any other Person for whom the Tenant is legally responsible in or about the Premises; and
  - (ii) for or related to any loss or damage to property owned by the Tenant or by others and for which property the Tenant is responsible in or about the Premises, and, without limiting the foregoing, the Landlord shall not be liable for any damage caused by steam, water, rain or snow which may leak into, issue or flow from part of the the Premises, or from the pipes or plumbing works thereof, or from any other place or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring;
- (b) any loss or damage caused as a result of any damage, destruction, construction, alternation, expansion, expropriation, reduction, repair or reconstruction from time to time of the Premises, any parts or components of the Premises or of improvements on adjoining properties;
- (c) any act or omission (including theft, malfeasance or negligence) on the part of any agent, contractor or person from time to time employed by Landlord to perform work in or about the Premises;
- (d) any loss or damage, however caused, to books of account, records, files, money, securities, negotiable instruments, papers, computer disks, tapes, software, data and other electronic files and their storage media of any kind or to other valuables of the Tenant including art, artworks, statuary, antiques, gems and precious metals of the Tenant and of others; and
- (e) any loss or damage arising from obstruction of deliveries to or from the Premises or interruption, cessation, faulty operation, breakdown or failure of any building systems, including but limited to, the supply of any utilities, telecommunication services (whether controlled or owned by the Landlord or not) or other services in, to or serving the Premises, whether they are supplied by the Landlord or by others.

## **Article 10 — Assignment and Subletting**

### **10.1 Assignment, Subletting**

The Tenant shall not effect any Transfer without the prior written consent of the Landlord. No consent to any Transfer shall of itself relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection, or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

### **10.2 Landlord's Consent**

If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 10.3 of this Lease. The Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 10.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

### **10.3 Requests for Consent**

Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;

- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (f) the Tenant paying to the Landlord, as Additional Rent, fifty percent (50%) all excess rent earned by the Tenant in respect of the Transfer.

#### **10.4 Change of Control**

Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation, which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. If the Landlord has a reasonable suspicion, based on information and evidence, that a change in control has occurred, the Tenant shall, upon request, provide to the Landlord such records of the Tenant as are reasonably necessary to determine if a change in control has occurred.

#### **10.5 No Advertising**

The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

#### **10.6 Assignment by Landlord**

In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment provided the assignee agrees in writing with the Tenant to assume all responsibilities and obligations of the Landlord hereunder.

#### **10.7 Status Certificate**

The Tenant shall, within fifteen (15) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges hereunder have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request, in form and substance satisfactory to the Tenant, acting reasonably.

#### **10.8 Subordination and Non-Disturbance**

This Lease and all of the rights of the Tenant hereunder are, and shall at all times, be subject and subordinate to any and all Mortgages and any renewals or extensions thereof now or hereinafter in force against the Premises. On the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

## **Article 11 — Quiet Enjoyment**

### **11.1 Quiet Enjoyment**

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

## **Article 12 — Damage and Destruction**

### **12.1 Damage or Destruction to Premises**

If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable ten (10) days after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

### **12.2 Rights to Termination**

Notwithstanding Section 12.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon Rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) in the event of damage or destruction occurring by reason of any cause in respect of



which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises or are not payable to or received by the Landlord, or in the event that any Mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose or, in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Premises, the Landlord may elect, within thirty (30) days of such damage or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

### **12.3 Certificate Conclusive**

Any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

### **12.4 Landlord's Work**

- (a) The Landlord shall comply with all provisions of applicable law related to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises.
- (b) It is acknowledged by the Tenant that in performing any reconstruction or repair, the Landlord may effect changes to the Premises and its equipment and systems.
- (c) The Landlord shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures, except, for certainty, solely to the extent that such damage is sustained or incurred by reason of or otherwise attributable to: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is responsible at law, or (ii) arising from the breach by the Landlord of the terms of this Lease.

### **12.5 Expropriation**

(1) If at any time during the Term any public body or paramount authority shall take or expropriate the whole or a portion of the Premises, then the following provisions shall apply:

- (a) if such expropriation or compulsory taking does not materially affect the Tenant's use or enjoyment of the Premises, then the whole of the compensation awarded or settled, whether fixed by agreement or otherwise, shall be paid or received by the Landlord, and the Tenant assigns, transfers and sets over unto the Landlord all of the right, title and interest of the Tenant therein and thereto, and this Lease shall thereafter continue in effect with respect to the remainder of the Premises, without abatement or adjustment of Rent; and
- (b) if such expropriation or compulsory taking does materially affect the Tenant's use or enjoyment of the Premises, then, at the Landlord's option: (i) this Lease shall be deemed to terminate and the Term shall terminate on the date upon which the expropriating or taking authority requires possession of the lands so expropriated or taken; or (ii) the Premises shall be adjusted to exclude the area so taken, the Landlord shall complete any work required to the Premises as a result of such taking (excluding any work relating to any chattel, fixture, leasehold improvement, installation, addition or

partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant). In either event the Landlord shall be entitled to receive the entire compensation awarded or settlement, whether fixed by agreement or otherwise, save and except for that portion thereof as is specifically awarded or allocated in respect of the leasehold improvements or other interests of the Tenant.

(2) The Landlord and the Tenant will cooperate with each other regarding any expropriation of the Premises or any part thereof so that each receives the maximum award to which it is entitled at law.

## **Article 13 — Default**

### **13.1 Default and Right to Re-enter**

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent due is not paid within five (5) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 13.1, after notice in writing from the Landlord to the Tenant:
  - (i) the Tenant fails to remedy such breach within fifteen (15) days (or such shorter period as may be provided in this Lease); or
  - (ii) if such breach cannot reasonably be remedied within fifteen (15) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become

vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;

- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises, other than in the ordinary course of its business;
- (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible; or
- (k) the Tenant has breached any of its obligations pursuant to the Lease Agreement between the Tenant and the Landlord dated even date herewith, with respect to the land and premises located at 4407 – 52<sup>nd</sup> Street, Lloydminster, Saskatchewan, and if such breach is not remedied within the applicable time period, if any, outlined in the said Lease Agreement.

### **13.2 Default and Remedies**

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 13.2(a) or proceeding under Section 13.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 13.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) re-let the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;

- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses reasonably incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated Rent.

### **13.3 Distress**

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

### **13.4 Costs**

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all reasonable legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

### **13.5 Remedies Cumulative**

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

## **Article 14 — General**

### **14.1 Entry**

(1) Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled at any time during the last six (6) months of the Term:

- (a) without notice to or consent by the Tenant to place on the exterior of the Premises the Landlord's usual notice(s) that the Premises are for rent; and

- (b) on no less than twenty-four (24) hours prior notice to the Tenant, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.

(2) The Landlord may enter the Premises at any time during the Term, on no less than twenty-four (24) hours prior notice to the Tenant, for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers, or for the purpose of inspecting the Premises. The Landlord shall have the right to place on the Premises a "for sale" sign of reasonable dimensions.

#### **14.2 Force Majeure**

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delays. The provisions of this Section 14.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

#### **14.3 Effect of Waiver or Forbearance**

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

#### **14.4 Notices**

(1) Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1(a) or (b), as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

(2) Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of

the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

#### **14.5 Registration**

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice or caveat based on this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat based on this Lease; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such registered notice or caveat.

#### **14.6 Number, Gender, Effect of Headings**

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease 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 Lease.

#### **14.7 Severability, Subdivision Control**

If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to cooperate with the Tenant in bringing such application.

#### **14.8 Entire Agreement**

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

#### **14.9 Successors and Assigns**

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

#### **14.10 Governing Law**

This Lease shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

#### **14.11 Confidentiality and Personal Information**

(1) The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any prospective tenants, real estate agents or others, except the Tenant's legal and financial advisors, any *bona fide* transferee, and except as may be required by law.

(2) The Tenant consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

**[Signature Page to Follow]**

IN WITNESS WHEREOF the parties have duly executed this Lease as of the date and year first above written.

CITY CENTER AUTO BODY LTD.

Per:   
Gerald Gagnon, President

*I have the authority to bind the Corporation.*  
C/S

2199931 ALBERTA LTD.

Per: \_\_\_\_\_  
Shane Daerden, President

*I have the authority to bind the Corporation.*  
C/S

*[signature page to Alberta Premises Lease]*



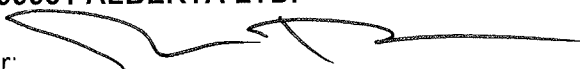
**IN WITNESS WHEREOF** the parties have duly executed this Lease as of the date and year first above written.

**CITY CENTER AUTO BODY LTD.**

Per: \_\_\_\_\_  
Gerald Gagnon, President

*I have the authority to bind the Corporation.*  
C/S

**2199931 ALBERTA LTD.**

Per:  \_\_\_\_\_  
Shane Daerden, President

*I have the authority to bind the Corporation.*  
C/S

**[signature page to Alberta Premises Lease]**

**SCHEDULE "A" – LEGAL DESCRIPTION OF LANDS**

PLAN 320HW

BLOCK 49

LOT 6

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.405 HECTARES (1 ACRES) MORE OR LESS

## SCHEDULE "B"

### ADDITIONAL TERMS & CONDITIONS

#### (1) Basic Rent Free Period for the Period November 25, 2019 to January 25, 2020

Notwithstanding any other provision of this Lease to the contrary, the Tenant shall not be responsible for the payment of Basic Rent throughout the two calendar month period commencing on the Commencement Date (the "**Basic Rent Free Period**"). The Tenant shall be responsible for the payment of all Additional Rent during the Basic Rent Free Period. In the event that this Lease is disclaimed pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or replaced from time to time, then the Tenant's obligation to pay Basic Rent for the whole of the Basic Rent Free Period will be deemed to have been reinstated, effective as of the day immediately preceding the effective date of the disclaimer of the Lease, at the rate of Basic Rent first payable under this Lease.

#### (2) Extension

##### 1<sup>st</sup> Extension Option

Provided the Tenant (a) is in occupation of the whole of the Leased Premises and (b) is not then in material default under this Lease, the Tenant shall have option exercisable on no less than 6 months and no more than 12 months written notice to the Landlord prior to the expiry of Term to extend the Lease with respect to the Leased Premises for one (1) additional term of five (5) years on the same terms and conditions outlined in this Lease save and except that:

- (i) this 1<sup>st</sup> Extension Option clause shall not be included;
- (ii) there shall be no clause providing for "tenant inducements" (whether for cash allowances, Landlord construction or fixturing, rent free periods or otherwise);
- (iii) the Basic Rent for the extended term shall be agreed to between the parties. If the parties are unable to agree on the Basic Rent for the extended term on or before the date that is sixty (60) days prior to the commencement of the extended term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the applicable legislation in force in the Province of Alberta; and
- (iv) in no event shall the Basic Rent as determined by agreement or arbitration be less than that reserved under the Lease for the last year of the previous term.

##### 2<sup>nd</sup> Extension Option

Provided the Tenant: (a) properly exercised the 1<sup>st</sup> Extension Option; (b) is in occupation of the whole of the Leased Premises; and (c) is not then in material default under this Lease, the Tenant shall have option exercisable on no less than 6 months and no more than 12 months written notice to the Landlord prior to the expiry of the last renewed term

to extend the Lease with respect to the Leased Premises for one (1) additional term of five years on the same terms and conditions outlined in this Lease save and except that:

- (i) the 1<sup>st</sup> Extension Option clause and the 2<sup>nd</sup> Extension Option clause shall not be included;
- (ii) there shall be no clause providing for “tenant inducements” (whether for cash allowances, Landlord construction or fixturing, rent free periods or otherwise);
- (iii) the Basic Rent for the extended term shall be agreed to between the parties. If the parties are unable to agree on the Basic Rent for the extended term on or before the date that is sixty (60) days prior to the commencement of the extended term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the applicable legislation in force in the Province of Alberta; and
- (iv) in no event shall the Basic Rent as determined by agreement or arbitration be less than that reserved under the Lease for the last year of the previous term.

### **(3) Right of First Refusal (“ROF”)– Sale of Premises**

If at any time during the Term of this Lease, the Landlord wishes to sell the Premises or receives an offer to purchase (the “**Purchase Offer**”) which it is prepared to accept, the following conditions shall apply:

- (a) The Landlord shall deliver a written offer to sell the Premises to the Tenant (the “**Offer to Sell**”). The Offer to Sell shall set forth the purchase price and all other terms and conditions (including closing arrangements) upon which the Landlord is prepared to sell the Premises. The Offer to Sell shall provide for a closing date of not sooner than thirty (30) days from the date of delivery of the Offer to Sell. In the event the Landlord has received a Purchase Offer, the terms and conditions of sale (including the price) set out in the Offer to Sell shall be the terms and conditions contained in such Purchase Offer;
- (b) The Tenant shall have the right to purchase the Premises in accordance with the price and terms and conditions in the Offer to Sell, by delivery to the Landlord of a written acceptance of the Offer to Sell within thirty (30) days following receipt by the Tenant of the Offer to Sell;
- (c) In the event that the Tenant elects to purchase the Premises by providing the acceptance within the prescribed time, the purchase and sale shall be completed and closed in accordance with the terms and conditions in the Offer to Sell;
- (d) In the event that the Tenant does not elect to purchase the Premises offered for sale to them in the Offer to Sell (by rejecting the Offer to Sell or failing to provide the acceptance within the prescribed time), the Landlord shall be free to sell the Premises to a third party at a price not less than the price set forth in the Offer to Sell and on terms and conditions not more favourable to the third party than the

terms and conditions of the Offer to Sell. If the Landlord is unable to sell the Premises to a third party on the terms and conditions (including price) set forth in the Offer to Sell within one hundred twenty (120) days of the date of the Offer to Sell, or wishes to sell the Premises for a lower price or on terms and conditions more favourable to the third party purchaser than the terms and conditions of the Offer to Sell, the Landlord shall be required, before effecting such a sale, to again first offer to sell the Premises to Tenant in the manner provided herein.

1.2 **Conditions and Exceptions.** Notwithstanding anything herein to the contrary:

- (a) the Tenant shall not be entitled to accept an Offer to Sell if it is in default of the terms and conditions of this Lease; and
- (b) a sale, transfer or assignment by the Landlord to Gerald Gagnon, a child or spouse of Gerald Gagnon or any entity controlled by any of them, shall not trigger the terms of this ROF provided that such non-arm's length person or entity agrees to be bound by the terms of this Lease (including, without limitation, the ROF).

For certainty, the ROF shall not apply to any lands owned by the Landlord except for the Premises, notwithstanding their inclusion in a larger sale of other lands owned by the Landlord comprising a Purchase Offer or Offer to Sell.

**(4) Water Well**

There is a private water well on the lands comprising the Premises (the "**Excluded Property**"). The Excluded Property is not hereby leased to the Tenant and the Tenant shall not be responsible for or otherwise grant any covenant in respect of the Excluded Property. The Landlord shall retain all right to the private well and retain the ability to access the Excluded Property during the Term. The Tenant shall provide access to the Landlord and its agents to the Premises for the purpose of accessing and utilizing the Excluded Property (including, without limitation, to use same to supply water to an adjacent property) provided that: (1) the Tenant shall not have any responsibility or liability whatsoever to the Landlord or any party whatsoever in respect of or arising out of the Excluded Property, and (2) the Landlord shall release, indemnify and hold harmless the Tenant in respect of any loss or damage occasioned by the Landlord or its agents exercising this right of access and use to the Excluded Property during the term of this Lease.

## **SCHEDULE "C"**

### **ENVIRONMENTAL MATTERS**

#### **1. Definitions**

In this Lease:

- (a) "Environmental Laws" means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction:
  - (i) relating to pollution or the protection of human health or the environment (including workplace health and safety);
  - (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or
  - (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance; and
  
- (b) "Hazardous Substance" means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

#### **2. Compliance with Environmental Laws**

Without limiting any other obligation of the Tenant in this Lease, the Tenant covenants and agrees that it shall, at its sole cost and expense, observe and otherwise comply with, and require those for whom it is responsible at law to observe and comply with all Environmental Laws. Without limiting the generality of the foregoing, the Tenant covenants and agrees that:

- (a) it shall not cause or permit any Hazardous Substance to be brought into, stored, kept or used in or about the Premises or any part thereof, other than any Hazardous Substance that is used in the ordinary course of the permitted use being carried on at the Premises and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto;
  
- (b) it shall not permit any emissions, discharges or releases of Hazardous Substances or materials containing Hazardous Substances from the Premises, other than where such occurs in the ordinary course of the permitted use being carried on at the Premises in compliance with all Environmental Laws pertaining thereto;

(c) it shall not construct or install any underground storage tank in or on the Premises; and

(d) on the expiration or earlier termination of this Lease, it shall cause each and every Hazardous Substance which was brought into, stored, kept or used in or about the Premises by the Tenant or any party for whom it is responsible at law and then located on the Premises, to be removed from the Premises in compliance with all Environmental Laws pertaining thereto.

### **3. Notice of Orders**

The Tenant shall promptly (and in any event not later than five (5) business days) provide the Landlord with written notice of any order, direction, notice of default or notice of legal action received by the Tenant pursuant to any Environmental Laws and relating to the Premises, the use and occupation of the Premises or the business carried on at the Premises.

### **4. Right of Inspection**

The Landlord and its mortgagees and their agents, servants, employees and representatives shall have the right (but not the obligation), from time to time, to inspect (including the right to conduct an environmental audit or assessment at its sole cost and expense) the Premises for the purpose of determining whether the Tenant is in compliance with its obligations in this Article. Where the inspection is conducted in response to the Landlord's reasonable suspicion, based on information and evidence, that the Tenant has caused or is causing environmental harm to the Premises in contravention of Environmental Law or that will require immediate remediation, the Tenant shall pay, as Additional Rent, any reasonable costs incurred by the Landlord in making such inspections (including the costs of the initial environmental audit or assessment) of the Premises if, by virtue of said inspection, the Tenant is determined to be in default under this Lease. Such costs shall be paid forthwith on demand. The Tenant authorizes the Landlord to make inquiries from time to time with any governmental authority having jurisdiction in respect of matters relating to the Tenant's compliance with Environmental Laws at the Premises, and the Tenant agrees to provide any further authorizations as may be required to facilitate the obtaining of such information.

### **5. Rectification of Breach**

In the event that it is determined by the Landlord pursuant to the process set forth in Section 4 hereof and acting in a commercially reasonable manner that the Tenant is in breach of its obligations in this Article, the Landlord may, without limiting any other rights or remedies, provide the Tenant with notice in writing of the breach, and the Tenant shall commence to rectify such breach at the Tenant's sole cost and expense, and shall complete such rectification as soon as reasonably possible. In the event that the Tenant does not commence to rectify such breach, the Landlord may, at its option and in its sole discretion, terminate this Lease without any further notice, or may rectify such breach at the cost of the Tenant, and the Tenant shall forthwith, on demand, reimburse the Landlord for the cost of rectification. Such amount shall be payable and collectible as Additional Rent.

### **6. Remediation**

If any governmental authority shall require the clean-up of any Hazardous Substance held, released, spilled, abandoned or placed on the Premises or released into the environment by the

Tenant or any party for whom the Tenant is responsible at law, the Tenant shall, at its own expense: (a) prepare or requisition all necessary studies, plans and proposals required as a result thereof; (b) obtain all necessary approvals of such authorities required to complete the remediation to the standards required by all Environmental Laws; (c) provide all bonds and other security required by such authorities in connection with the foregoing; and (d) carry out and complete the remediation to the standards required by all Environmental Laws. The Tenant shall also provide the Landlord with copies of the plans and proposals and keep the Landlord advised from time to time as to the status of its remediation and other work.

## **7. Hazardous Substances Remain Property of Tenant**

If the Tenant or any party for whom the Tenant is responsible at law creates or brings to the Premises any Hazardous Substance, or if the conduct of business at the Premises shall cause there to be any Hazardous Substance at the Premises, then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant, and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiration or earlier termination of this Lease.

## **8. Tenant Indemnity**

The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all costs all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of any breach by the Tenant or any party for whom the Tenant is responsible at law of any provisions of this Schedule, or any non-compliance by the Tenant or any party for whom the Tenant is responsible at law, with any Environmental Law, except to the extent that such things are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible.

## **9. Limitation of Tenant Liability**

Notwithstanding anything in this schedule to the contrary, the Tenant shall have no obligations with respect to Hazardous Substances located on, in, above or under the Premises prior to the Commencement Date of this Lease, and the Landlord agrees to indemnify and save harmless the Tenant from and against claims under any Environmental Laws, or third party claims, with respect to said pre-existing Hazardous Substances.

## **10. Survival of Obligations**

The covenants and agreements of, and indemnification by, the Tenant and the Landlord contained in this Schedule "C" shall survive the expiration or earlier termination of this Lease notwithstanding anything herein contained to the contrary.



**THIS IS EXHIBIT "62" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**COMMERCIAL LEASE AGREEMENT**

THIS LEASE made effective the 25<sup>th</sup> day of November, 2019.

BETWEEN:

**CITY CENTER AUTO BODY LTD.**  
(the "Landlord")

AND

**2199931 ALBERTA LTD.**  
(the "Tenant")

WITNESSETH AS FOLLOWS:

**Article 1 — Basic Terms, Definitions**

**1.1 Basic Terms**

- (a) Landlord: CITY CENTER AUTO BODY LTD.  
Address: c/o #103, 5004 – 18 Street, Lloydminster, Alberta, T9V 1V4
- (b) Tenant: 2199931 ALBERTA LTD.  
Address: 2200, 10235 – 101 Street NW, Edmonton, Alberta, T5J 3G1
- (c) Premises: a portion of the lands and premises legally described in Schedule "A" (the "Lands") and municipally known as 4407 – 52nd Street, Lloydminster Saskatchewan, which portion is highlighted in yellow on the drawing attached hereto as Schedule "D"
- (d) Rentable Area of Premises: the area of the building forming part of the Premises measured to the outside surface of the outer building wall, approximately 14,000 square feet
- (e) Term: Ten (10) Years, subject to Section 2.3

Commencement Date: November 25, 2019

End of Term: November 25, 2029, subject to Sections 2.3 and Section (3) in **Schedule "B"**.

- (f) Basic Rent (Section 4.1):

<u>Period</u>	<u>Per Year</u>	<u>Per Month</u>
November 25, 2019, to November 25, 2024	\$168,000.00	\$14,000.00
November 25, 2024, to November 25, 2029	Fair Market Rent	

Basic Rent was notionally calculated based upon \$12.00 per square foot of Rentable Area of the Premises, but there shall be no adjustment if the Rentable Area of the Premises is subsequently determined to be greater or less than 14,000 square feet

- (g) Permitted Use (Section 7.1): commercial premises for the operation of an auto body repair shop business and such operations ancillary thereto.
- (h) Deposit: \$28,000.00 (plus GST).
- (i) Extension Rights, as set out in **Schedule “B”**
- (j) The following Schedules are annexed to and form part of this Lease, as if set forth herein:

Schedule “A” Legal Description  
Schedule “B” Additional Terms & Conditions  
Schedule “C” Environmental Matters  
Schedule “D” Premises

## 1.2 Definitions

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) “Additional Rent” has the meaning ascribed to it in Section 5.1;
- (b) “Basic Rent” means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) “Building Systems” means:
  - (i) the HVAC Equipment and all other systems, services, installations and facilities from time to time installed in or servicing the Premises (or any portion thereof) including, but not limited to, the following systems, services, installations and facilities: mechanical (including plumbing, drainage and sewage), electrical and other utilities, lighting, ice and snow removal, refuse removal, and window washing; and
  - (ii) all machinery, appliances, equipment, apparatus, components, and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them;
- (d) “Commencement Date” means the date set out in Section 1.1(e), as such may be varied pursuant to the terms of this Lease;
- (e) “Deposit” means a deposit in the amount of \$28,000.00 plus GST as more particularly described in Section 3.4;

- (f) "Event of Default" has the meaning set out in Section 13.1;
- (g) "Fair Market Rent" means the fair market rent for the Premises (in a condition including leasehold improvements) as at the end first five (5) years of the Term that an arms-length third party tenant would be willing to pay as rent in cash consideration for the Premises in the open market with regard to market conditions prevailing at such time, as determined in accordance with Section 4.2;
- (h) "HVAC Equipment" means heating, ventilating and air-conditioning equipment, facilities and installations;
- (i) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (j) "Mortgage" means any mortgage or other security against the Premises and/or the Landlord's interest in this Lease, from time to time;
- (k) "Mortgagee" means the holder of any Mortgage from time to time;
- (l) "Premises" means the lands and premises identified in Section 1.1(c), and all rights and easements appurtenant thereto;
- (m) "Realty Taxes" means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Premises or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;
- (n) "Rent" means all Basic Rent and Additional Rent;
- (o) "Rental Taxes" means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date of this Lease or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (p) "Term" means the period specified in Section 1.1(e) and, where the context requires, any renewal, extension or overholding thereof;
- (q) "Transfer" means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which

any right of use or occupancy of all or any part of the Premises is shared with or conferred upon any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, or any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy of any part of the Premises; and

(r) "Transferee" means any person or entity to whom a Transfer is or is to be made.

## **Article 2 — Demise and Term**

### **2.1 Demise**

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. Subject to Schedule "C", the Tenant accepts the Premises "as is, where is" in their state and condition existing at the Commencement Date.

### **2.2 Term**

Subject to section 2.3, the Term shall commence on the Commencement Date, run for the period set out in Section 1.1(e), and end on the date set out in Section 1.1(e), unless terminated earlier pursuant to the provisions of this Lease.

### **2.3 Delay in Possession**

Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Commencement Date, then and only then shall the start of the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession.

### **2.4 Overholding**

This Lease shall automatically terminate on the last day of the Term or any extension thereof and any occupancy of the Premises by the Tenant after that date shall not have the effect of extending or renewing the Lease for any period of time, whether by way of tacit renewal at law or otherwise. The Tenant shall in such case be deemed to be occupying the Leased Premises against the will of the Landlord, who shall have the right to avail itself of any and all recourse provided by law to evict the Tenant and claim for damages. Notwithstanding the foregoing, if the Tenant does in fact remain in possession of the Leased Premises after the Term prior to eviction by the Landlord as aforesaid, the Tenant will be deemed to be occupying the Leased Premises as a month to month tenant. The monthly Rent, payable in advance on the first day of each month, will be equal to the total of: (a) one hundred and fifty percent (150%) of the Base Rent payable for the last month of the Term, and (b) an amount equal to the Additional Rent payable for the last month of the Term. All of the other provisions of this Lease will apply as far as practicable, to a month to month tenancy. This Section 2.4 shall survive the expiry or termination of this Lease. Nothing in this Section 2.4 shall be interpreted or deemed as permitting the Tenant to overhold the Premises.

## **Article 3 — Rent**

### **3.1 Covenant to Pay, Net Lease**

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Premises, and that the Tenant shall pay, as Additional Rent, all charges, impositions and expenses of every nature and kind relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly. For certainty, the Tenant will pay GST on Rent and any other GST imposed by the applicable legislation on the Tenant in respect of this Lease, in the manner and at such times directed by the applicable legislation. The Landlord will have all of the same remedies and rights of recovery from the Tenant in respect thereof as it has in respect of non-payment of Rent hereunder.

### **3.2 Rental Taxes**

The Tenant will pay to the Landlord the Rental Taxes assessed upon: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease but may be recovered by the Landlord as though they were Additional Rent.

### **3.3 Payment Method**

The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

### **3.4 Deposit**

Simultaneously with the Tenant's execution of this Lease, the Tenant shall deposit with the Landlord the Deposit as security for the performance by the Tenant of all of the Tenant's obligations, covenants, conditions, and agreements under this Lease. The Landlord shall not be required to maintain the Deposit in a separate account. If an Event of Default occurs under this Lease by the Tenant, Landlord shall have the right, but not the obligation, to use, apply, or retain all or any portion of the Deposit for the payment of: (i) Rent, Additional Rent or any other sum as to which the Tenant is in default; or (ii) the amount the Landlord spends or may become obligated to spend, or to compensate the Landlord for any losses incurred by reason of the Tenant's default. If any portion of the Deposit is so used or applied, then within fifteen (15) after the Landlord gives the Tenant written notice, the Tenant shall deposit with the Landlord cash in an amount sufficient to restore the Deposit to the original amount. The Tenant's failure to do so shall constitute an Event of Default under this Lease. The Deposit is non-refundable and shall be applied against any unpaid Rent. In the event that the Deposit has not been used or applied on account of other indebtedness, as herein provided, the Deposit shall be applied against the last two months' Rent, without prejudice to the Landlord's right to demand restoration of the Deposit as herein provided.

### 3.5 Rent Past Due

If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time such Rent becomes due until paid by the Tenant.

### 3.6 Partial Periods

If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, Rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

## Article 4 — Basic Rent

### 4.1 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever, as annual Basic Rent, the sum(s) set out in Section 1.1(f) of this Lease in equal monthly instalments in advance in the amount(s) set out in Section 1.1(f), on the first day of each and every month during the Term.

### 4.2 Calculation of Fair Market Rent

For the purposes of determining Fair Market Rent the Landlord and the Tenant shall, in the first instance, use reasonable efforts to reach a mutual agreement as to the amount of Fair Market Rent. If the Landlord and the Tenant cannot agree in writing to the Fair Market Rent for the Premises three (3) months prior to commencement of the second five (5) years of the Term, Fair Market Rent shall be determined as follows:

- (a) The Landlord shall within fifteen (15) days deliver a notice (the “**Appraisal Notice**”) to the Tenant naming three (3) qualified arms’ length third party appraisers whom the Landlord proposes to determine the Fair Market Rent for the Premises (the “**Determination**”);
- (b) the Tenant shall, within fifteen (15) days of receipt of the Appraisal Notice, deliver a notice to the Landlord wherein the Tenant shall accept the appointment of one of the three (3) appraisers named in the Appraisal Notice (the “**Chosen Nominee**”), in which case the Chosen Nominee so designated shall forthwith conduct the Determination. If, however, within the said fifteen (15) day period referred to above the Tenant shall fail to accept the appointment of one of the three (3) named appraisers, then the Landlord shall be entitled, within seven (7) days of the expiration of such fifteen (15) day period, to designate one (1) of the appraisers as the Chosen Nominee, and the Chosen Nominee so designated by the Landlord shall forthwith conduct the Determination;

- (c) as soon as the Chosen Nominee has been selected in accordance with the foregoing provisions the Determination shall be conducted in accordance with the terms hereof and a written report (the "**Report**") shall be delivered by the Chosen Nominee to each of the Tenant and the Landlord within thirty (30) days of the date of the selection of the Chosen Nominee;
- (d) the Chosen Nominee shall report to the Landlord and the Tenant, setting forth its opinion of the Fair Market Rent for the Premises as of the date of such Report. The Fair Market Rent for the Premises determined by the Chosen Nominee shall be final and binding on the Landlord and the Tenant; provided that if the Fair Market Rent determination by the Chosen Nominee is less than the Basic Rent during the first five (5) years of the Term, Fair Market Rent shall be deemed to be the Basic Rent during the first five (5) years of the Term; and
- (e) If Fair Market Rent has not been determined prior to commencement of the second five (5) years of the Term, the Tenant shall pay Basic Rent at an amount equal to the Basic Rent payable during the last year of the first five (5) years of the Term, and the parties shall readjust promptly upon such determination having been made with interest payable on the unpaid balance or deficiency paid by the Tenant as finally determined at the rate of five (5%) per annum.

## 5.1 Additional Rent

(1) In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord or as otherwise provided in this Lease, in lawful money of Canada, without any deduction, abatement or set-off whatsoever (except as provided for in Section 12.1 of this Lease) all costs, expenses, fees, rentals, disbursements and outlays (in this definition collectively as "**costs**") of every kind, whether direct or indirect, paid, payable or incurred by or on behalf of the Landlord on an accrual basis (or on a cash basis to the extent that the Landlord determines) in the ownership, maintenance, repair, replacement, operation, administration, supervision and management of the Premises and access ("**Additional Rent**"), including, without limitation:

- (a) the cost of the Landlord's insurance as provided herein;
- (b) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises;
- (c) all charges, costs, accounts and any other sums payable by reason of the supply of utilities and services to the Premises;
- (d) the costs to repair or replace non-structural maintenance and repair of the roof and/or roof membrane
- (e) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant;

provided that for the purposes of determining the Additional Rent payable by the Tenant hereunder, such operating costs shall NOT include:

- (f) debt service, including without limitation, refinancing costs, interest on debt or capital



retirement of debt;

- (g) costs for which the Landlord is reimbursed by the proceeds of insurance;
- (h) costs recovered by the Landlord under a warranty;
- (i) income taxes in respect of income received from leasing the Premises;
- (j) any capital expense, amortization of capital expense or depreciation of the original cost of the building forming part of the Premises including any amortization of costs related to additions or expansions of the building forming part of the Premises;
- (k) costs arising out of or in connection with the performance or compliance with the Landlord's obligations pursuant to Section 8.2 of this Lease by or on behalf of the Landlord; and
- (l) costs in relation to the water well referred to in Schedule "B" including but not limited to all costs in relation to inspecting and making repairs, alterations or improvements to the said water well.

(2) All of the payments set out in this Lease (other than Rental Taxes) shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not paid as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

(3) Additional Rent shall be payable in advance on the Commencement Date and thereafter in monthly instalments on the first day of every month during the Term, based on the Landlord's estimates but subject to adjustment when the actual amounts are determined pursuant to Section 5.6 of this Lease. Additional Rent in the first year of the Lease is estimated to be \$17,288.59 in the aggregate (comprised of \$12,313.59 of applicable taxes and \$4,975 for the Landlord's insurance), and \$1,440.72 per month.

## **5.2 Realty Taxes**

The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Premises, or any part thereof, in accordance with the following:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required such that the Landlord will have in its hands an amount sufficient to pay each instalment of Realty Taxes when due to the taxing authorities. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such year; and
- (b) if the Landlord so directs, the Tenant shall pay Realty Taxes directly to the taxing

authorities. In that event, the Tenant shall make payment, on or before the due date, of each instalment and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.

### **5.3 Business and Other Taxes**

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed upon the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

### **5.5 Landlord's Insurance Costs**

The Tenant shall pay to the Landlord, as Additional Rent, all costs of the Landlord in maintaining its insurance as contemplated herein in accordance with the following:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required, such that the Landlord will have in its hands an amount sufficient to pay its insurance invoices. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such year; and
- (b) if the Landlord so directs, the Tenant shall reimburse it for the cost of insurance upon demand.

### **5.6 Annual Readjustment of Additional Rent**

As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Realty Taxes, and other Additional Rent, based on the actual costs incurred therefor by the Landlord, and shall notify the Tenant of such determination, providing reasonable details as to the breakdown and calculation thereof and, upon reasonable request, documentation in support of such costs. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay such shortfall within thirty (30) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest, to be applied to payments falling due under this Lease. In the event of any dispute, the report of the Landlord's auditor or accountant as to the Additional Rent shall be conclusive as to the

amount thereof for any period to which such report relates. Neither the Landlord nor the Tenant may claim any adjustment on account of Additional Rent for any fiscal period more than two (2) years after the date of delivery of the statement for such period.

## **Article 6 — Utilities and Building Systems**

### **6.1 Payment for Utilities**

The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises. The Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

### **6.2 No Overloading**

The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

### **6.3 Limit on Liability**

Neither the Landlord nor the Tenant shall be liable for any loss of profits or business interruption, indirect or consequential damages in connection with this Lease.

### **6.4 Building Systems**

Subject to Section 8.2 below, the Tenant shall, throughout the Term, operate, maintain, repair regulate and replace, if required, the Building Systems in a commercially reasonable manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the Building Systems in a good and working order, all consistent with the past practices of the Landlord. The Landlord and the Tenant shall, within sixty (60) days of the Commencement Date determine and agree on the applicable maintenance schedule and standards for such maintenance and repair obligations set forth in this Section 6.4, each acting reasonably and having regard for the practice of the Landlord and including, without limitation, the condition as at the Commencement Date of the applicable portions of the Building Systems comprising the Premises.

## **Article 7 — Use of Premises**

### **7.1 Use of the Premises**

The Tenant acknowledges that the Premises will be used solely for the purposes set out in Section 1.1(g), and for no other purpose without the prior written consent of the Landlord.

### **7.2 Observance of Law**

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters.

### **7.3 Waste, Nuisance, Overloading**

The Tenant shall not do or suffer any waste or damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Premises, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

## **Article 8 — Maintenance, Repairs and Alterations of Premises**

### **8.1 Tenant's Obligations**

- (a) The Tenant covenants to keep, throughout the Term, the Premises in a good and reasonable state of repair and cleanliness consistent with the general standards applicable to buildings of a similar nature in the vicinity of the Premises and having regard to the permitted use of the Premises and the condition of the Premises as at the Commencement Date. Notwithstanding the foregoing, the Tenant shall not be responsible for any items that are within the Landlord's Obligations pursuant to Section 8.2 of this Lease;
- (b) The obligations of the Tenant shall include, without limitation, snow removal and pest control for the Premises, routine maintenance, repair and replacement (if necessary) to the Premises including both the interior and exterior portions (for certainty, including the parking lot and yard area, overhead doors and exterior and interior doors and windows) thereof, gardening of the Premises and painting and decorating of the Premises;
- (c) The Tenant shall enter into an arrangement with a local certified and reputable contractor determined and agreed upon by the Landlord pursuant to Section 6.4 to provide maintenance of the HVAC Equipment. The Tenant shall promptly provide the Landlord with evidence of the completion of the aforementioned maintenance upon the written request of the Landlord; and
- (d) The Tenant shall arrange to have the wash bay pits vacuumed out by a reputable vac truck company and the waste therein properly disposed of as required.

### **8.2 Landlord's Obligations**

The Landlord shall be responsible for the following without the ability to seek reimbursement from the Tenant arising from:

- (1) repairs of a capital nature;
- (2) repairs and replacements to the building forming part of the Premises arising from structural defects or weakness;

- (3) repairs to the structural portions of the roof system of the building forming part of the Premises (but excluding non-structural maintenance and repair of the roof and/or roof membrane which shall be included in Additional Rent);
- (4) repairs to the foundation, interior or exterior bearing walls supporting beams and columns to building forming part of the Premises;
- (5) any damage or loss to the Premises and/or the Tenant occasioned by the negligence or willful act of the Landlord or any party for whom the Landlord is at law responsible or a breach by the Landlord of any term, covenant or obligation under this Lease;

provided, however, if the Landlord is required to repair or replace structural portions or any portion of the Premises by reason of the negligent acts or omissions of the Tenant or any party for whom the Tenant is responsible at law, the expense of the necessary repairs shall be borne by the Tenant and paid on demand as Additional Rent, except to the extent such repair costs are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible.

### **8.3 Inspection and Repair on Notice**

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time, without notice, for the purpose of making emergency repairs, and during normal business hours on no less than twenty-four (24) hours prior written notice to the Tenant, for the purpose of inspecting and making repairs, alterations or improvements to the Premises including repairs to the water well referred to in Schedule "B", or for the purpose of having access to the under-floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby.

The Landlord, its servants, agents and contractors may, at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the reasonable opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord will take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises.

The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

The Landlord and the Tenant shall comply with all provisions of applicable law related to the making of any repairs, replacements, alterations, changes, substitutions, improvements of or to the Premises.

### **8.4 Alterations**

The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The

Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Premises, its equipment or services necessitated thereby.

### **8.5 Signs**

The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Premises or that is visible from the outside of the Premises without the prior consent of the Landlord, not to be unreasonably withheld.

### **8.6 Construction Liens**

If any construction or other liens or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within twenty-one (21) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens or orders against the Tenant at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders. In the event the Tenant does not cause the discharge of any liens or order for payment within the twenty-one (21) day period noted above, the Landlord may, in its sole discretion, elect to make such payment or take such action as may be necessary or expedient to discharge the lien, whether or not the validity of such lien is admitted or denied by the Tenant and whether or not the lien is valid, including but not limited to making direct payment to the lien claimant, and the Tenant shall reimburse Landlord for all the Landlord's reasonable expenses incurred in so doing (including the amount of the lien) plus an administrative fee of 15%. The Tenant shall also pay interest on sums outstanding calculated at the rate of 18% per annum.

### **8.7 Removal of Improvements and Fixtures**

(1) All Leasehold Improvements shall immediately upon their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or upon the expiry or earlier termination of the Term, except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease and, at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the

Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

(2) The Tenant shall, at its own expense, repair any damage caused to the Premises by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any Building Systems or light fixtures. The Landlord shall be under no obligation to repair or maintain the Leasehold Improvements, the Tenant's trade fixtures or any other items installed by the Tenant except, for certainty, solely to the extent the damage is caused by the negligence or willful act of the Landlord or those for whom it is at law responsible.

## **8.8 Surrender of Premises**

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up unto the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 8.7, subject to normal wear and tear and with regard to the age and condition of such facilities as at the Commencement Date.

## **Article 9 — Insurance and Indemnity**

### **9.1 Tenant's Insurance**

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;

- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be upon such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 9.1(a) and 9.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 9.1(b) and 9.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord, on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

## **9.2 Landlord's Insurance**

The Landlord shall maintain insurance on the Premises against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Premises. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Premises and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

## **9.3 Increase of Landlord Premiums**



If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Premises or any part thereof, causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Premises, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Premises showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

#### **9.4 Tenant Indemnity**

Subject to Section 9.6 hereof, the Tenant will indemnify the Landlord and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property and legal fees on a solicitor-client basis, suffered by or imposed upon the Landlord or its property, either directly or indirectly, in respect of any matter or thing: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant, its officers, employees, agents, contractors, invitees, licensees or by or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provisions of this Lease, except to the extent that any such liabilities, claims or expenses are caused by, arise by reason of or in connection with the negligence or intentional act of the Landlord or those for whom the Landlord is in law responsible. This indemnity shall survive the termination or expiry of this Lease.

#### **9.5 Landlord Indemnity**

Subject to Sections 9.6 and 9.7 hereof, the Landlord will indemnify the Tenant and save it harmless from and against any and all losses or claims, actions, demands, liabilities and expenses, including reasonable legal fees on a solicitor-client basis, suffered by or imposed upon the Tenant or its property, either directly or indirectly, in respect of any matter or thing, to the extent that they are sustained, paid or incurred by reason of or otherwise attributable to: (a) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (b) arising from the breach by the Landlord of any provisions of this Lease. This indemnity shall survive the termination or expiry of this Lease.

#### **9.6 Mutual Release**

Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party under this Lease, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party; and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

## 9.7 Release of Landlord

Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is in law responsible, or (ii) arising from the breach by the Landlord of any provisions of this Lease (all of the foregoing referred to herein as the “**Tenant Exceptions**”), the Tenant hereby releases the Landlord from any and all claims, actions, causes of action, damages, demands for damages and other liabilities, that may be made by the Tenant against the Landlord under the provisions of this Lease. The Tenant agrees that the Landlord, except to the extent arising from the Tenant Exceptions, shall not be liable for and hereby releases the Landlord from:

- (a) any and all claims, actions, causes of action, damages, demands for damages and other liabilities:
  - (i) for or related to any bodily injury, personal injury, illness or discomfort to or death of the Tenant or any of its agents, officers, contractors, employees, invitees, licensees and any other Person for whom the Tenant is legally responsible in or about the Premises; and
  - (ii) for or related to any loss or damage to property owned by the Tenant or by others and for which property the Tenant is responsible in or about the Premises, and, without limiting the foregoing, the Landlord shall not be liable for any damage caused by steam, water, rain or snow which may leak into, issue or flow from part of the the Premises, or from the pipes or plumbing works thereof, or from any other place or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring;
- (b) any loss or damage caused as a result of any damage, destruction, construction, alternation, expansion, expropriation, reduction, repair or reconstruction from time to time of the Premises, any parts or components of the Premises or of improvements on adjoining properties;
- (c) any act or omission (including theft, malfeasance or negligence) on the part of any agent, contractor or person from time to time employed by Landlord to perform work in or about the Premises;
- (d) any loss or damage, however caused, to books of account, records, files, money, securities, negotiable instruments, papers, computer disks, tapes, software, data and other electronic files and their storage media of any kind or to other valuables of the Tenant including art, artworks, statuary, antiques, gems and precious metals of the Tenant and of others; and
- (e) any loss or damage arising from obstruction of deliveries to or from the Premises or interruption, cessation, faulty operation, breakdown or failure of any building systems, including but limited to, the supply of any utilities, telecommunication services (whether controlled or owned by the Landlord or not) or other services in, to or serving the Premises, whether they are supplied by the Landlord or by others.

## **Article 10 — Assignment and Subletting**

### **10.1 Assignment, Subletting**

The Tenant shall not effect any Transfer without the prior written consent of the Landlord. No consent to any Transfer shall of itself relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection, or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

### **10.2 Landlord's Consent**

If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 10.3 of this Lease. The Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 10.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

### **10.3 Requests for Consent**

Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;

- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (f) the Tenant paying to the Landlord, as Additional Rent, fifty percent (50%) all excess rent earned by the Tenant in respect of the Transfer.

#### **10.4 Change of Control**

Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation, which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. If the Landlord has a reasonable suspicion, based on information and evidence, that a change in control has occurred, the Tenant shall, upon request, provide to the Landlord such records of the Tenant as are reasonably necessary to determine if a change in control has occurred.

#### **10.5 No Advertising**

The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

#### **10.6 Assignment by Landlord**

In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment provided the assignee agrees in writing with the Tenant to assume all responsibilities and obligations of the Landlord hereunder.

#### **10.7 Status Certificate**

The Tenant shall, within fifteen (15) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges hereunder have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request, in form and substance satisfactory to the Tenant, acting reasonably.

#### **10.8 Subordination and Non-Disturbance**

This Lease and all of the rights of the Tenant hereunder are, and shall at all times, be subject and subordinate to any and all Mortgages and any renewals or extensions thereof now or hereinafter in force against the Premises. On the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

## **Article 11 — Quiet Enjoyment**

### **11.1 Quiet Enjoyment**

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

## **Article 12 — Damage and Destruction**

### **12.1 Damage or Destruction to Premises**

If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable ten (10) days after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

### **12.2 Rights to Termination**

Notwithstanding Section 12.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon Rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) in the event of damage or destruction occurring by reason of any cause in respect of

which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises or are not payable to or received by the Landlord, or in the event that any Mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose or, in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Premises, the Landlord may elect, within thirty (30) days of such damage or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

### **12.3 Certificate Conclusive**

Any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

### **12.4 Landlord's Work**

- (a) The Landlord shall comply with all provisions of applicable law related to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises.
- (b) It is acknowledged by the Tenant that in performing any reconstruction or repair, the Landlord may effect changes to the Premises and its equipment and systems.
- (c) The Landlord shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures, except, for certainty, solely to the extent that such damage is sustained or incurred by reason of or otherwise attributable to: (i) the negligence or willful acts or omissions of the Landlord or anyone for whom it is responsible at law, or (ii) arising from the breach by the Landlord of the terms of this Lease.

### **12.5 Expropriation**

(1) If at any time during the Term any public body or paramount authority shall take or expropriate the whole or a portion of the Premises, then the following provisions shall apply:

- (a) if such expropriation or compulsory taking does not materially affect the Tenant's use or enjoyment of the Premises, then the whole of the compensation awarded or settled, whether fixed by agreement or otherwise, shall be paid or received by the Landlord, and the Tenant assigns, transfers and sets over unto the Landlord all of the right, title and interest of the Tenant therein and thereto, and this Lease shall thereafter continue in effect with respect to the remainder of the Premises, without abatement or adjustment of Rent; and
- (b) if such expropriation or compulsory taking does materially affect the Tenant's use or enjoyment of the Premises, then, at the Landlord's option: (i) this Lease shall be deemed to terminate and the Term shall terminate on the date upon which the expropriating or taking authority requires possession of the lands so expropriated or taken; or (ii) the Premises shall be adjusted to exclude the area so taken, the Landlord shall complete any work required to the Premises as a result of such taking (excluding any work relating to any chattel, fixture, leasehold improvement, installation, addition or

partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant). In either event the Landlord shall be entitled to receive the entire compensation awarded or settlement, whether fixed by agreement or otherwise, save and except for that portion thereof as is specifically awarded or allocated in respect of the leasehold improvements or other interests of the Tenant.

(2) The Landlord and the Tenant will cooperate with each other regarding any expropriation of the Premises or any part thereof so that each receives the maximum award to which it is entitled at law.

## **Article 13 — Default**

### **13.1 Default and Right to Re-enter**

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent due is not paid within five (5) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 13.1, after notice in writing from the Landlord to the Tenant:
  - (i) the Tenant fails to remedy such breach within fifteen (15) days (or such shorter period as may be provided in this Lease); or
  - (ii) if such breach cannot reasonably be remedied within fifteen (15) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become

vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;

- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises, other than in the ordinary course of its business;
- (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible; or
- (k) the Tenant has breached any of its obligations pursuant to the Lease Agreement between the Tenant and the Landlord dated even date herewith, with respect to the land and premises located at 5706 – 44th Street, Lloydminster, Alberta, and if such breach is not remedied within the applicable time period, if any, outlined in the said Lease Agreement.

### **13.2 Default and Remedies**

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 13.2(a) or proceeding under Section 13.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 13.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) re-let the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;



- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses reasonably incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated Rent.

### **13.3 Distress**

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

### **13.4 Costs**

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all reasonable legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

### **13.5 Remedies Cumulative**

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

## **Article 14 — General**

### **14.1 Entry**

(1) Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled at any time during the last six (6) months of the Term:

- (a) without notice to or consent by the Tenant to place on the exterior of the Premises the Landlord's usual notice(s) that the Premises are for rent; and

- (b) on no less than twenty-four (24) hours prior notice to the Tenant, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.

(2) The Landlord may enter the Premises at any time during the Term, on no less than twenty-four (24) hours prior notice to the Tenant, for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers, or for the purpose of inspecting the Premises. The Landlord shall have the right to place on the Premises a "for sale" sign of reasonable dimensions.

#### **14.2 Force Majeure**

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delays. The provisions of this Section 14.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

#### **14.3 Effect of Waiver or Forbearance**

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

#### **14.4 Notices**

(1) Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1(a) or (b), as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

(2) Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of

the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

#### **14.5 Registration**

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice or caveat based on this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat based on this Lease; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such registered notice or caveat.

#### **14.6 Number, Gender, Effect of Headings**

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease 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 Lease.

#### **14.7 Severability, Subdivision Control**

If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to cooperate with the Tenant in bringing such application.

#### **14.8 Entire Agreement**

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

#### **14.9 Successors and Assigns**

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

#### **14.10 Governing Law**

This Lease shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

#### **14.11 Confidentiality and Personal Information**

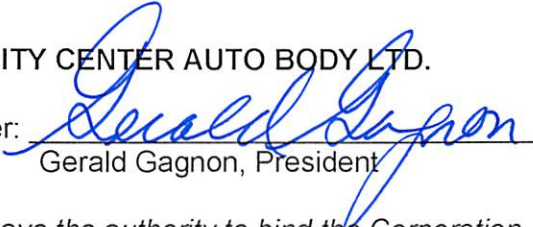
(1) The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any prospective tenants, real estate agents or others, except the Tenant's legal and financial advisors, any *bona fide* transferee, and except as may be required by law.

(2) The Tenant consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

**[Signature Page to Follow]**

IN WITNESS WHEREOF the parties have duly executed this Lease as of the date and year first above written.

CITY CENTER AUTO BODY LTD.

Per:   
Gerald Gagnon, President

*I have the authority to bind the Corporation.*  
C/S

2199931 ALBERTA LTD.

Per: \_\_\_\_\_  
Shane Daerden, President

*I have the authority to bind the Corporation.*  
C/S

*[signature page to Saskatchewan Premises Lease]*

**IN WITNESS WHEREOF** the parties have duly executed this Lease as of the date and year first above written.

**CITY CENTER AUTO BODY LTD.**

Per: \_\_\_\_\_  
Gerald Gagnon, President

*I have the authority to bind the Corporation.*  
C/S

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Shane Daerden, President

*I have the authority to bind the Corporation.*  
C/S

**SCHEDULE "A" – LEGAL DESCRIPTION**

SURFACE PARCEL 127545396  
BLK/PAR C PLAN 75B00736  
AS DESCRIBED ON CERTIFICATE OF TITLE 01B01969

## SCHEDULE "B"

### ADDITIONAL TERMS & CONDITIONS

#### (1) Basic Rent Free Period for the Period November 25, 2019 to January 25, 2020

Notwithstanding any other provision of this Lease to the contrary, the Tenant shall not be responsible for the payment of Basic Rent throughout the two calendar month period commencing on the Commencement Date (the "**Basic Rent Free Period**"). The Tenant shall be responsible for the payment of all Additional Rent during the Basic Rent Free Period. In the event that this Lease is disclaimed pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or replaced from time to time, then the Tenant's obligation to pay Basic Rent for the whole of the Basic Rent Free Period will be deemed to have been reinstated, effective as of the day immediately preceding the effective date of the disclaimer of the Lease, at the rate of Basic Rent first payable under this Lease.

#### (2) Extension

##### 1<sup>st</sup> Extension Option

Provided the Tenant (a) is in occupation of the whole of the Leased Premises and (b) is not then in material default under this Lease, the Tenant shall have option exercisable on no less than 6 months and no more than 12 months written notice to the Landlord prior to the expiry of Term to extend the Lease with respect to the Leased Premises for one (1) additional term of five (5) years on the same terms and conditions outlined in this Lease save and except that:

- (i) this 1<sup>st</sup> Extension Option clause shall not be included;
- (ii) there shall be no clause providing for "tenant inducements" (whether for cash allowances, Landlord construction or fixturing, rent free periods or otherwise);
- (iii) the Basic Rent for the extended term shall be agreed to between the parties. If the parties are unable to agree on the Basic Rent for the extended term on or before the date that is sixty (60) days prior to the commencement of the extended term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the applicable legislation in force in the Province of Saskatchewan; and,
- (iv) in no event shall the Basic Rent as determined by agreement or arbitration be less than that reserved under the Lease for the last year of the previous term.

##### 2<sup>nd</sup> Extension Option

Provided the Tenant: (a) properly exercised the 1<sup>st</sup> Extension Option; (b) is in occupation of the whole of the Leased Premises; and (c) is not then in material default under this Lease, the Tenant shall have option exercisable on no less than 6 months and no more than 12 months written notice to the Landlord prior to the expiry of the last renewed term



to extend the Lease with respect to the Leased Premises for one (1) additional term of five years on the same terms and conditions outlined in this Lease save and except that:

- (i) the 1<sup>st</sup> Extension Option clause and the 2<sup>nd</sup> Extension Option clause shall not be included;
- (ii) there shall be no clause providing for “tenant inducements” (whether for cash allowances, Landlord construction or fixturing, rent free periods or otherwise);
- (iii) the Basic Rent for the extended term shall be agreed to between the parties. If the parties are unable to agree on the Basic Rent for the extended term on or before the date that is sixty (60) days prior to the commencement of the extended term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the applicable legislation in force in the Province of Saskatchewan; and
- (iv) in no event shall the Basic Rent as determined by agreement or arbitration be less than that reserved under the Lease for the last year of the previous term.

### **(3) Right of First Refusal (“ROF”)– Sale of Premises**

If at any time during the Term of this Lease, the Landlord wishes to sell the Premises or receives an offer to purchase (the “**Purchase Offer**”) which it is prepared to accept, the following conditions shall apply:

- (a) The Landlord shall deliver a written offer to sell the Premises to the Tenant (the “**Offer to Sell**”). The Offer to Sell shall set forth the purchase price and all other terms and conditions (including closing arrangements) upon which the Landlord is prepared to sell the Premises. The Offer to Sell shall provide for a closing date of not sooner than thirty (30) days from the date of delivery of the Offer to Sell. In the event the Landlord has received a Purchase Offer, the terms and conditions of sale (including the price) set out in the Offer to Sell shall be the terms and conditions contained in such Purchase Offer;
- (b) The Tenant shall have the right to purchase the Premises in accordance with the price and terms and conditions in the Offer to Sell, by delivery to the Landlord of a written acceptance of the Offer to Sell within thirty (30) days following receipt by the Tenant of the Offer to Sell;
- (c) In the event that the Tenant elects to purchase the Premises by providing the acceptance within the prescribed time, the purchase and sale shall be completed and closed in accordance with the terms and conditions in the Offer to Sell;
- (d) In the event that the Tenant does not elect to purchase the Premises offered for sale to them in the Offer to Sell (by rejecting the Offer to Sell or failing to provide the acceptance within the prescribed time), the Landlord shall be free to sell the Premises to a third party at a price not less than the price set forth in the Offer to Sell and on terms and conditions not more favourable to the third party than the

terms and conditions of the Offer to Sell. If the Landlord is unable to sell the Premises to a third party on the terms and conditions (including price) set forth in the Offer to Sell within one hundred twenty (120) days of the date of the Offer to Sell, or wishes to sell the Premises for a lower price or on terms and conditions more favourable to the third party purchaser than the terms and conditions of the Offer to Sell, the Landlord shall be required, before effecting such a sale, to again first offer to sell the Premises to Tenant in the manner provided herein.

1.2 **Conditions and Exceptions.** Notwithstanding anything herein to the contrary:

- (a) the Tenant shall not be entitled to accept an Offer to Sell if it is in default of the terms and conditions of this Lease; and
- (b) a sale, transfer or assignment by the Landlord to Gerald Gagnon, a child or spouse of Gerald Gagnon or any entity controlled by any of them, shall not trigger the terms of this ROF provided that such non-arm's length person or entity agrees to be bound by the terms of this Lease (including, without limitation, the ROF).

For certainty, the ROF shall not apply to any lands owned by the Landlord except for the Premises, notwithstanding their inclusion in a larger sale of other lands owned by the Landlord comprising a Purchase Offer or Offer to Sell.

**(4) Access Rights**

- (a) The Landlord, its agents, contractors, invitees, and licensees shall, during normal business hours, have access over across and through all those portions of the Premises (including access through the gate) reasonably necessary for the Landlord, its agents, contractors, invitees, and licensees to gain access to and from the separate fenced compound located at the southern end of the Lands;
- (b) The Landlord, its agents, contractors, invitees, licensees shall, at any time, have access over across and through all those portions of the Premises reasonably necessary for the Landlord, its agents, contractors, invitees, and licensees to gain access to and from the vehicle storage shed located on the Lands located near the south west corner of the Premises, as identified on Schedule "D" attached hereto as "Gerald's Car Storage" (the property described at (4)(a) and (b), collectively, the "**Excluded Property**");
- (c) The Landlord shall indemnify and hold harmless the Tenant in respect of any loss or damage suffered or incurred by the Tenant occasioned by the Landlord, its agents, contractors, invitees, and licensees exercising this right of access; and
- (d) Except for claims, actions, causes of action, damages, demands for damages and other liabilities resulting from the negligence or willful acts or omissions of the Tenant or anyone for whom it is in law responsible, the Landlord hereby releases the Tenant from any and all loss or damage to the Excluded Property, or the contents thereof.

**(5) Planning Approval**

It shall be a condition of any extension of this Lease that the provisions of *The Planning*

*and Development Act, 2007* shall have been complied with. The Tenant covenants to use its best efforts to obtain all necessary approvals required under such Act to validate any extensions of the Lease (the Landlord reserves the right to also seek such approvals). The Tenant shall be responsible for all costs, expenses, taxes and levies imposed, charged or levied as a result of such application and in order to obtain such approval. The Tenant shall at all times keep the Landlord informed of its progress in obtaining such approval and the Landlord shall co-operate with the Tenant in regard to such application.

## **SCHEDULE "C"**

### **ENVIRONMENTAL MATTERS**

#### **1. Definitions**

In this Lease:

- (a) "Environmental Laws" means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction:
  - (i) relating to pollution or the protection of human health or the environment (including workplace health and safety);
  - (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or
  - (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance; and
- (b) "Hazardous Substance" means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

#### **2. Compliance with Environmental Laws**

Without limiting any other obligation of the Tenant in this Lease, the Tenant covenants and agrees that it shall, at its sole cost and expense, observe and otherwise comply with, and require those for whom it is responsible at law to observe and comply with all Environmental Laws. Without limiting the generality of the foregoing, the Tenant covenants and agrees that:

- (a) it shall not cause or permit any Hazardous Substance to be brought into, stored, kept or used in or about the Premises or any part thereof, other than any Hazardous Substance that is used in the ordinary course of the permitted use being carried on at the Premises and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto;
- (b) it shall not permit any emissions, discharges or releases of Hazardous Substances or materials containing Hazardous Substances from the Premises, other than where such occurs in the ordinary course of the permitted use being carried on at the Premises in compliance with all Environmental Laws pertaining thereto;

(c) it shall not construct or install any underground storage tank in or on the Premises; and

(d) on the expiration or earlier termination of this Lease, it shall cause each and every Hazardous Substance which was brought into, stored, kept or used in or about the Premises by the Tenant or any party for whom it is responsible at law and then located on the Premises, to be removed from the Premises in compliance with all Environmental Laws pertaining thereto.

### **3. Notice of Orders**

The Tenant shall promptly (and in any event not later than five (5) business days) provide the Landlord with written notice of any order, direction, notice of default or notice of legal action received by the Tenant pursuant to any Environmental Laws and relating to the Premises, the use and occupation of the Premises or the business carried on at the Premises.

### **4. Right of Inspection**

The Landlord and its mortgagees and their agents, servants, employees and representatives shall have the right (but not the obligation), from time to time, to inspect (including the right to conduct an environmental audit or assessment at its sole cost and expense) the Premises for the purpose of determining whether the Tenant is in compliance with its obligations in this Article. Where the inspection is conducted in response to the Landlord's reasonable suspicion, based on information and evidence, that the Tenant has caused or is causing environmental harm to the Premises in contravention of Environmental Law or that will require immediate remediation, the Tenant shall pay, as Additional Rent, any reasonable costs incurred by the Landlord in making such inspections (including the costs of the initial environmental audit or assessment) of the Premises if, by virtue of said inspection, the Tenant is determined to be in default under this Lease. Such costs shall be paid forthwith on demand. The Tenant authorizes the Landlord to make inquiries from time to time with any governmental authority having jurisdiction in respect of matters relating to the Tenant's compliance with Environmental Laws at the Premises, and the Tenant agrees to provide any further authorizations as may be required to facilitate the obtaining of such information.

### **5. Rectification of Breach**

In the event that it is determined by the Landlord pursuant to the process set forth in Section 4 hereof and acting in a commercially reasonable manner that the Tenant is in breach of its obligations in this Article, the Landlord may, without limiting any other rights or remedies, provide the Tenant with notice in writing of the breach, and the Tenant shall commence to rectify such breach at the Tenant's sole cost and expense, and shall complete such rectification as soon as reasonably possible. In the event that the Tenant does not commence to rectify such breach, the Landlord may, at its option and in its sole discretion, terminate this Lease without any further notice, or may rectify such breach at the cost of the Tenant, and the Tenant shall forthwith, on demand, reimburse the Landlord for the cost of rectification. Such amount shall be payable and collectible as Additional Rent.

### **6. Remediation**

If any governmental authority shall require the clean-up of any Hazardous Substance held, released, spilled, abandoned or placed on the Premises or released into the environment by the

Tenant or any party for whom the Tenant is responsible at law, the Tenant shall, at its own expense: (a) prepare or requisition all necessary studies, plans and proposals required as a result thereof; (b) obtain all necessary approvals of such authorities required to complete the remediation to the standards required by all Environmental Laws; (c) provide all bonds and other security required by such authorities in connection with the foregoing; and (d) carry out and complete the remediation to the standards required by all Environmental Laws. The Tenant shall also provide the Landlord with copies of the plans and proposals and keep the Landlord advised from time to time as to the status of its remediation and other work.

## **7. Hazardous Substances Remain Property of Tenant**

If the Tenant or any party for whom the Tenant is responsible at law creates or brings to the Premises any Hazardous Substance, or if the conduct of business at the Premises shall cause there to be any Hazardous Substance at the Premises, then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant, and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiration or earlier termination of this Lease.

## **8. Tenant Indemnity**

The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all costs all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of any breach by the Tenant or any party for whom the Tenant is responsible at law of any provisions of this Schedule, or any non-compliance by the Tenant or any party for whom the Tenant is responsible at law, with any Environmental Law, except to the extent that such things are insured against by the Landlord but only to the extent of insurance proceeds received by the Landlord. For further clarity, in such events the Tenant shall be responsible for the deductible.

## **9. Limitation of Tenant Liability**

Notwithstanding anything in this schedule to the contrary, the Tenant shall have no obligations with respect to Hazardous Substances located on, in, above or under the Premises prior to the Commencement Date of this Lease, and the Landlord agrees to indemnify and save harmless the Tenant from and against claims under any Environmental Laws, or third party claims, with respect to said pre-existing Hazardous Substances.

## **10. Survival of Obligations**

The covenants and agreements of, and indemnification by, the Tenant and the Landlord contained in this Schedule "C" shall survive the expiration or earlier termination of this Lease notwithstanding anything herein contained to the contrary.

**SCHEDULE "D"**

**PREMISES (AND EXCLUDED PROPERTY)**

See attached.

THIS IS EXHIBIT "63" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.



---

Kaitlin Ward, Barrister & Solicitor





Intelligent  
Real Estate Solutions

## EXCLUSIVE AUTHORITY TO SELL BUSINESS and REAL ESTATE

Nick's Repair Service Ltd and 10026923 Manitoba Ltd. hereinafter referred to as the "Vendor" hereby appoints Avison Young Commercial Real Estate (Manitoba) Inc., hereinafter referred to as "Avison Young" as its sole and exclusive agents up to and including the **1st day of September, 2023** to effect the sale of the following properties:

a) **Address:** 149 Main Street West  
In the R.M. of Neepawa  
and North Cypress-Langford, Manitoba

**Roll Number:** 395800.000  
**Legal Description:** 3 parcels of land under Parcel A and B of Plan 5203 in the Neepawa LTO comprising of 1.72 acres

b) **Asset Sale of Nick's Repair Service Ltd**  
  
hereinafter referred to as "The Property".

The agreed listing price is: **\$ 1,875,000 plus GST.**

The total real estate brokerage fee, as agreed, would be: **five percent (5.0%) (plus GST) of the selling price of The Property.**

When an outside broker, (other than Avison Young's listed agent), is the selling broker involved in the sale, the total brokerage fee would be split to Avison Young and to the selling broker (plus GST). Upon receipt of the total brokerage fee, Avison Young would forward the split to the selling broker. The brokerage fee (plus GST) would be payable to Avison Young upon the closing of the sale of The Property from the sale proceeds held in the Vendor's solicitor's trust account. The amount paid to Avison Young from the solicitor's trust account would be net of any deposits held by Avison Young which will be applied to the brokerage fee plus GST.

Upon the closing of the sale, Avison Young is authorized to apply such amount of the Purchaser's deposit, which Avison Young may hold in its trust account, towards the amount of the real estate brokerage fee (plus GST) that becomes payable to Avison Young and will remit the balance, if any, to the Vendor's solicitor.

The Vendor agrees to refer to Avison Young for immediate follow-up on all enquiries which it may receive during the period of this listing concerning the sale of The Property and all Offers shall be submitted through Avison Young before acceptance and Avison Young shall present to the Vendor all Offers it receives.

Avison Young will provide the Vendor with a comprehensive marketing report on the first of each month once the formal marketing program begins.

Avison Young will not distribute any confidential information regarding The Property to any third parties being prospective purchasers, cooperating agents and brokers or any other third party **without first having received a duly executed confidentiality agreement and upon specific approval of the Vendor to release such information**, the agreed form of which is attached.



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The Vendor authorizes Avison Young to cooperate with all outside real estate brokers on the understanding that such outside brokers must advise us if they are not acting as a subagent of the Vendor.

The Vendor agrees that Avison Young will be protected for its brokerage fees payable (as only specifically related to a written list of protected prospects to be provided to the Vendor within seven (7) days of the listing expiry or termination) for a period of ninety (90) days following the expiry or termination of this agreement if The Property is sold subsequently to a prospect on such list after the expiration or termination of this agreement.

Any deposit retained from a prospective purchaser who fails to complete a sale transaction will be divided between Avison Young and the Vendor, with the Vendor retaining 75% and 25% to Avison Young.

This listing will automatically renew for a further Six (6) month period until the successful completion of the engagement or until either party receives written notice of cancellation from the other party.

Vendor shall consider that a "For Sale" signage be erected on The Property, only with the Vendor's written approval, **only after thirty (30) days of the listing cycle**, and at the sole cost of Avison Young.

Neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by either party, without prior written notification.

All of the terms and provisions of this Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns. Attached Service Agreement as per the Manitoba Securities Commission forms part of this.

WE HEREBY AGREE that the above correctly sets forth the terms of our Agreement.

Accepted and agreed to in the City of WINNIPEG this 17 day of FEBRUARY, 2023

Vendor: [Signature]  
(I/We have authority to bind the corporation)

Approved:

AVISON YOUNG COMMERCIAL REAL ESTATE (MANITOBA) INC.

Date: FEB 17, 2023

Per: [Signature]



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## EXCLUSIVE AUTHORITY TO SELL BUSINESS and REAL ESTATE

Bunzy's Auto Ltd. hereinafter referred to as the "Vendor" hereby appoints Avison Young Commercial Real Estate (Manitoba) Inc., hereinafter referred to as "Avison Young" as its sole and exclusive agents up to and including the 1st day of March, 2023 to effect the sale of the following property:

- a) Address: 52 Austin Street  
Winnipeg, MB  
Title Number: 1409033/1 (WLTO)  
Roll Number: 13091927000  
Legal Description: Lot 19 Plan 32688 WLTO in RL 35 Parish of St John  
City of Winnipeg, Mb

- b) Asset Sale of Bunzy's Auto Body Ltd

hereinafter referred to as "The Property".

The agreed listing price is: \$ 2,150,000 plus GST.

The total real estate brokerage fee, as agreed, would be: five percent (5.0%) (plus GST) of the selling price of The Property.

When an outside broker, (other than Avison Young's listed agent), is the selling broker involved in the sale, the total brokerage fee would be split to Avison Young and to the selling broker (plus GST). Upon receipt of the total brokerage fee, Avison Young would forward the split to the selling broker. The brokerage fee (plus GST) would be payable to Avison Young upon the closing of the sale of The Property from the sale proceeds held in the Vendor's solicitor's trust account. The amount paid to Avison Young from the solicitor's trust account would be net of any deposits held by Avison Young which will be applied to the brokerage fee plus GST.

When the sale has occurred from one of the names on the protected list then the total real estate brokerage fee, as agreed, would be: three percent (3.0%) plus GST of the selling price of the Property, payable to Avison Young.

The Protected List is made up of the following agencies:

The Aboriginal Council of Winnipeg (ACW)  
End Homelessness Winnipeg  
Neeganin Development Corp.  
Ma Mawi Wi Chi Itata Centre.

Upon the closing of the sale, Avison Young is authorized to apply such amount of the Purchaser's deposit, which Avison Young may hold in its trust account, towards the amount of the real estate brokerage fee (plus GST) that becomes payable to Avison Young and will remit the balance, if any, to the Vendor's solicitor.

The Vendor agrees to refer to Avison Young for immediate follow-up on all enquiries which it may receive during the period of this listing concerning the sale of The Property and all Offers shall be submitted through Avison Young before acceptance and Avison Young shall present to the Vendor all Offers it receives.



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Avison Young will provide the Vendor with a comprehensive marketing report on the first of each month once the formal marketing program begins.

Avison Young will not distribute any confidential information regarding The Property to any third parties being prospective purchasers, cooperating agents and brokers or any other third party without first having received a duly executed confidentiality agreement and upon specific approval of the Vendor to release such information if the prospective purchaser is a competitor or being someone in the Auto Body business, the agreed form of which is attached.

The Vendor authorizes Avison Young to cooperate with all outside real estate brokers on the understanding that such outside brokers must advise us if they are not acting as a subagent of the Vendor.

The Vendor agrees that Avison Young will be protected for its brokerage fees payable (as only specifically related to a written list of protected prospects to be provided to the Vendor within seven (7) days of the listing expiry or termination) for a period of ninety (90) days following the expiry or termination of this agreement if The Property is sold subsequently to a prospect on such list after the expiration or termination of this agreement.

Any deposit retained from a prospective purchaser who fails to complete a sale transaction will be divided between Avison Young and the Vendor, with the Vendor retaining 75% and 25% to Avison Young provided Avison Young's share shall not exceed expected real estate brokerage fee amount.

This listing agreement may be renewed for a further Six (6) month period upon mutual agreement between the Vendor and Avison Young. Either party may terminate this listing agreement thirty (30) days prior by written notice of cancellation from the other party.

Vendor shall consider that a "For Sale" signage be erected on The Property, only with the Vendor's written approval and *only after thirty (30) days of the listing cycle*, and at the sole cost of Avison Young.

Neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by either party, without prior written notification.

All of the terms and provisions of this Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns. Attached Service Agreement as per the Manitoba Securities Commission forms part of this.



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WE HEREBY AGREE that the above correctly sets forth the terms of our Agreement.

Accepted and agreed to in the City of Winnipeg this 25th day of August, 2022

Vendor: Bunzy's Auto Body Ltd.

*(I/We have authority to bind the corporation)*

Approved: 

AVISON YOUNG COMMERCIAL REAL ESTATE (MANITOBA) INC.

Date: Aug 25 / 22

Per: 

**Service Agreement – Form E  
Real Estate Trading Services – Seller**

Attached to and forming part of the Listing Agreement signed the 16<sup>th</sup> day of August, 2022.

**1. Identity of the Parties to this Agreement**

Brokerage Providing Real Estate Services		Person Receiving Real Estate Services	
Name:	Avison Young	Name:	Bunzy's Auto Body Ltd
Address:	200-185 Provencher Blvd, Wpg, MB	Name:	
Representative:	Reno Augellone	Address:	
Contact Details:	204-560-1507	Contact Details:	

**2. Description of the Services to Be Provided (as defined in *The Real Estate Services Act*)**

- a)  Finding real estate for the person
- b)  Finding another person to engage in a trade in real estate
- c)  Showing or making representations about the real estate
- d)  Advising on the appropriate price for the real estate
- e)  Negotiating the price or other terms of a trade in real estate
- f)  Presenting offers to purchase or sell respecting a trade in real estate
- g)  Receiving deposit money paid in respect of the real estate
- h)  All Services contained in the Listing Agreement to which this agreement forms a part
- i)  Other:

Check the boxes that apply to the Services to be provided. Use box i) to add or expand upon the Services, where applicable.

**3. Date this Agreement is Made and the Date it Expires**

- a) This agreement is made on the 16 day of August, 2022.
- b) This agreement will expire at 5:00 pm a.m./p.m. on the 28<sup>th</sup> day of February, 2023.

**4. Any Rights by Either Party to Terminate this Agreement Before It Expires**

Unless stated in the space below, neither party has the right to terminate this agreement before it expires.

Agreement is set to automatically renew for a further Six (6) months from Feb 28th, 2023 upon written authorization /consent of Bunzy's Autobody Ltd.

**5. Description of the Terms of Payment or Compensation to be Provided to the Brokerage**

The Brokerage will be compensated in the following manner for providing the Services:

- a)  You will pay the Brokerage Five (5) per cent of the purchase price, plus GST in accordance with the terms of the Listing Agreement to which this agreement forms a part.
- b)  You will pay the Brokerage a fixed amount of \$ \_\_\_\_\_ plus GST in accordance with the terms of the Listing Agreement to which this agreement forms a part.

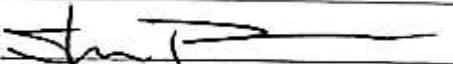
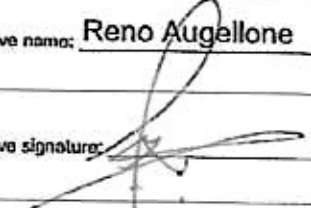
Only one box is to be checked, and where applicable, completed. If more than one box is checked, then 5a) is deemed to apply.

**6. Other Terms**

The following additional terms apply to this agreement:

- a)  If any terms in this agreement are inconsistent with any terms in the Listing Agreement to which this agreement forms a part, the terms in this agreement shall take precedence.
- b)  Other:  
If the purchaser is from the Protected List (refer to Listing Agreement) then the Brokerage fee will be Three (3) percent of the purchase price, plus GST.

**7. Signatures of the Parties**

Signed on behalf of the Brokerage providing the Services:	Signed by the person who is to receive the Services:
Representative name: <u>Reno Augellone</u>	Signature: 
Representative signature: 	Signature: _____



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## EXCLUSIVE AUTHORITY TO SELL BUSINESS and REAL ESTATE

**Bunzy's Auto Ltd.** hereinafter referred to as the "Vendor" hereby appoints Avison Young Commercial Real Estate (Manitoba) Inc., hereinafter referred to as "Avison Young" as its sole and exclusive agents up to and including the **1st day of September, 2023** to effect the sale of the following property:

- a) Address: 52 Austin Street  
Winnipeg, MB  
Title Number: 1409033/1 (WLTO)  
Roll Number: 13091927000  
Legal Description: Lot 19 Plan 32688 WLTO in RL 35 Parish of St John  
City of Winnipeg, Mb

- b) Asset Sale of Bunzy's Auto Body Ltd

hereinafter referred to as "The Property".

The agreed listing price is: **\$ 1,850,000 plus GST.**

The total real estate brokerage fee, as agreed, would be: **five percent (5.0%) (plus GST) of the selling price of The Property.**

When an outside broker, (other than Avison Young's listed agent), is the selling broker involved in the sale, the total brokerage fee would be split to Avison Young and to the selling broker (plus GST). Upon receipt of the total brokerage fee, Avison Young would forward the split to the selling broker. The brokerage fee (plus GST) would be payable to Avison Young upon the closing of the sale of The Property from the sale proceeds held in the Vendor's solicitor's trust account. The amount paid to Avison Young from the solicitor's trust account would be net of any deposits held by Avison Young which will be applied to the brokerage fee plus GST.

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Neeganin Development Corp.

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Upon the closing of the sale, Avison Young is authorized to apply such amount of the Purchaser's deposit, which Avison Young may hold in its trust account, towards the amount of the real estate brokerage fee (plus GST) that becomes payable to Avison Young and will remit the balance, if any, to the Vendor's solicitor.

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Vendor shall consider that a "For Sale" signage be erected on The Property, only with the Vendor's written approval, **only after thirty (30) days of the listing cycle**, and at the sole cost of Avison Young.

Neither this Agreement nor any of the rights and obligations arising from it shall be assignable in whole or in part by either party, without prior written notification.

All of the terms and provisions of this Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns. Attached Service Agreement as per the Manitoba Securities Commission forms part of this.

WE HEREBY AGREE that the above correctly sets forth the terms of our Agreement.

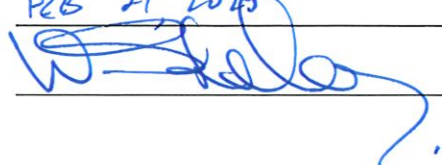
Accepted and agreed to in the City of CALGARY this 17 day of FEBRUARY, 2023

Vendor:   
(I/We have authority to bind the corporation)

Approved:

AVISON YOUNG COMMERCIAL REAL ESTATE (MANITOBA) INC.

Date: FEB 21 2023

Per: 

**THIS IS EXHIBIT "64" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

October 27, 2023

**WITHOUT PREJUDICE**

VIA EMAIL - [shane@collisionkings.ca](mailto:shane@collisionkings.ca)

**2270683 Alberta Ltd., CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Stathko Investments Ltd. and Royal Vista Collision Ltd.  
c/o Collision Kings Group  
52 Austin Street  
Winnipeg, Manitoba, R3B 0Z7**

**Attn: Shane Daerden**

**Re: WITHOUT PREJUDICE PROPOSAL**

**Subordination and Priority Agreement (the "Subordination Agreement") dated September 2020 between the Toronto-Dominion Bank, Christos Stathonikos Family Trust, Matthew Stathonikos Family Trust, David Stretz Family Trust, Domna Investments Inc. 1427916 Alberta Inc. (collectively the "Vendors"), and 2270683 Alberta Ltd., CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Stathko Investments Ltd. and Royal Vista Collision Ltd. (collectively, the "CK Parties")**

**Share Purchase Agreement dated September 4, 2020 as amended on September 24, 2020 and September 25, 2020 (the "SPA") between the Vendors and 2270683 Alberta Ltd. (the "Purchaser")**

**Vendor Take Back Promissory Note dated September 4, 2020 (the "Promissory Note") between the Vendors and the Purchaser**

**General Security Agreement dated September 25, 2020 (the "GSA") between the Vendors and the Purchaser**

**Guarantee agreements dated September 25, 2020 (the "Guarantees") between the Vendors and CMD Holdings Inc., Arrow Auto Body Ltd., Sunridge Collision Ltd., East Lake Collision Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Stathko Investments Ltd. and Royal Vista Collision Ltd. (collectively, the "Guarantors")**

**General Security Agreements dated September 25, 2020 between the Vendors and the Guarantors (the "Guarantors' GSAs")  
File No. 165184**

---

Concurrently with this letter, you will have received notices of default regarding, among other things, the SPA, Promissory Note, GSA, Guarantees and the Guarantors' GSAs.

The Vendors were required to proceed with the default notices to preserve their rights and remedies, particularly given the need for 120 days notice under the Subordination Agreement.

We have been advised that Shane Daerden has previously proposed the prospect of the Purchaser paying interest only towards the Promissory Note while the Purchaser attempts to make arrangements to issue full payments (the "**Interest Payments Proposal**").

The Vendors are interested in discussing the Interest Payments Proposal further in good faith.

However, the Vendors have not received any particulars as to: a) the proposed payment plan, including the amounts to be paid, the duration of the payments, and how this is proposed to be impacting the initial proposed payment plan with the Vendors; b) the basis of the need for delaying the original payment schedule, including the financial circumstances of the Purchaser that precipitated the default.

To facilitate discussions regarding the Interest Payments Proposal, the Vendors will require at a minimum:

1. Confirmation in writing of the proposed amounts, timing and duration of the proposed interest payments;
2. Confirmation of the efforts being undertaken to facilitate curing the default of the Purchaser. This will include current and ongoing production of financial materials showing the issues preventing payment and so as to confirm the viability of addressing the CK Parties' default;
3. Upon confirmation of points 1 and 2 above, if the proposal is satisfactory to the Vendors, to proceed with the Interest Payments Proposal the Vendors would require:
  - (a) A final written forbearance agreement executed by the CK Parties setting out the proposed terms of the Interest Payments Proposal in a form satisfactory to the Vendors and their legal counsel in their sole discretion;
  - (b) The forbearance agreement will include all standard terms and conditions appropriate for a transaction of this nature. But, the forbearance agreement must require, among other things:
    - (i) An affirmation of the default by the CK Parties and of the indebtedness owing by the CK Parties to the Vendors;
    - (ii) Setting out the deadlines for payment of the interest payments together with the resumption of fulsome payments (the "**Default Curing Period**");
    - (iii) Requiring a consent judgment to be executed in favour of the Vendors against the CK Parties regarding the indebtedness, plus costs and interest, to be held in trust pending full payment of the indebtedness. Said consent

judgment would be registerable upon the event of a default under the written forbearance agreement;

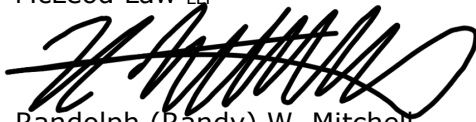
- (iv) Providing that the 120 notice period for default under the Subordination Agreement will continue to run for the duration of the Default Curing Period. That is, the 120 day notice period under Section 3.07 of the Subordination Agreement shall continue to run as of the date of the notice issued concurrently with this letter and, once expired, will not need to be issued again to restart the period. For greater clarity, no further defaults or delay in enforcement will be permitted. The Vendors are not going to be required to restart the 120 day notice of default under Section 3.07.

Please advise as to your position regarding the above proposal by no later than 12:00 p.m. MST on November 3, 2023. We are open to a meeting or phone conference to discuss the terms of this matter with your legal counsel at the earliest opportunity.

We are also open to allowing you to share the proposal herein with the Toronto-Dominion Bank to make appropriate arrangements, provided you advise our office in writing of such steps and that the Toronto-Dominion Bank confirms in advance in writing that such sharing of this proposal is not a waiver of any underlying settlement privilege.

The Vendors expressly reserves any rights and remedies it may have at law to proceed with the enforcement of its rights and remedies under the above noted agreements at any time, without further notice to CK Parties, if the Vendors become aware of any circumstances that might prejudice their position.

Yours very truly,  
McLeod Law LLP



Randolph (Randy) W. Mitchell

Direct: (403) 225-6407  
rmitchell@mcleod-law.com  
Assistant: Michele Hitman  
Direct: (403) 254-3872  
mahitman@mcleod-law.com


RWM/RM

Encls.

cc: Clients;

MLT Aikins LLP, 30th Floor – 360 Main Street, Winnipeg, Manitoba, R3C 4G1, Attention: Steven Kohn / Melissa Cattini, [skohn@mltaikins.com](mailto:skohn@mltaikins.com) / [mcattini@mltaikins.com](mailto:mcattini@mltaikins.com); and

**THIS IS EXHIBIT "65" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4

East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

2199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1

Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1

**With Copy To:**  
MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose



for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for



6B579E2AAD2F43F...  
Atshan Naveed

Partner

AN

Enclosures

**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;

39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

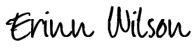
Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank



**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

5B578E2AAB2F43F...

Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank



**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

**Sent Via Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com) and [shane@collisionkings.ca](mailto:shane@collisionkings.ca)**

CMD Glass Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

**With Copy To:**  
MLT Aikins LLP  
30 Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**Re: Guarantee of the Obligations of CMD Holdings Inc., Sunridge Collision Ltd., Mayland Heights Collision Ltd. and East Lake Collision Ltd. (collectively, the "Borrower") to The Toronto-Dominion Bank (the "Bank") provided by CMD Glass Ltd. (the "Guarantor")**

We are counsel to the Bank in connection with the credit facilities outstanding between the Bank and the Borrower.

Advances have been made by the Bank to, *inter alia*, the Borrower under the Facility Documents. The Borrower is indebted to the Bank, as of **October 31, 2023**, in the amount **\$11,885,926.47** plus interest, plus all fees and costs, including all legal costs incurred by the Bank on a solicitor and its own client basis (the "**Borrower Indebtedness**").

Demand has been made by the Bank upon the Borrower for repayment of the Borrower Indebtedness. A copy of the demand is enclosed.

Reference is made to the following guarantees granted by the Guarantor in support of the obligations of each of the Borrower(s) owing to the Bank:

1. unlimited guarantee in support of all obligations of CMD Holdings Inc. owing to the Bank, dated September 25, 2020, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
2. a limited guarantee in support of all obligations of Sunridge Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
3. a limited guarantee in support of all obligations of Mayland Heights Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis); and

4. a limited guarantee in support of all obligations of East Lake Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);

(collectively, the “**Guarantees**”).

As security for the Guarantees the Guarantor granted a General Security Agreement dated September 25, 2020, (the “**Security**”).

The Guarantees are payable upon demand. Demand is hereby made upon you for payment of the Borrower Indebtedness, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Guarantor will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

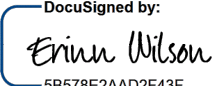
If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose for service upon the Guarantor a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**NOI**”). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank’s security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

for  5B578E2AAD2F43F...

Afshan Naveed  
Partner

Enclosure

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Glass Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD GLASS LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B42199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1**With Copy To:**MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose



for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for

*Erinn Wilson*

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Atshan Naveed

Partner

AN

Enclosures

**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;

39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank



**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank



**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

**Sent Via Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com) and [shane@collisionkings.ca](mailto:shane@collisionkings.ca)**

Arrow Auto Body Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

**With Copy To:**  
MLT Aikins LLP  
30 Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: : J.J. Burnell and Shane Daerden

**Re: Guarantee of the Obligations of CMD Holdings Inc., Sunridge Collision Ltd., Mayland Heights Collision Ltd., and East Lake Collision Ltd. (collectively, the "Borrower") to The Toronto-Dominion Bank (the "Bank") provided by Arrow Auto Body Ltd. (the "Guarantor")**

We are counsel to the Bank in connection with the credit facilities outstanding between the Bank and the Borrower.

Advances have been made by the Bank to, *inter alia*, the Borrower under the Facility Documents. The Borrower is indebted to the Bank, as of **October 31, 2023**, in the amount **\$11,885,926.47** plus interest, plus all fees and costs, including all legal costs incurred by the Bank on a solicitor and its own client basis (the "**Borrower Indebtedness**").

Demand has been made by the Bank upon the Borrower for repayment of the Borrower Indebtedness. A copy of the demand is enclosed.

Reference is made to the following guarantees granted by the Guarantor in support of the obligations of each of the Borrower(s) owing to the Bank:

1. unlimited guarantee in support of all obligations of CMD Holdings Inc. owing to the Bank, dated September 25, 2020, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
2. a limited guarantee, in support of all obligations of Sunridge Collision Ltd. owing to the Bank up to the maximum principal amount of \$750,000, dated March 10, 2022;
3. a limited guarantee, in support of all obligations of Mayland Heights Collision Ltd. owing to the Bank up to the maximum principal amount of \$750,000, dated March 10, 2022; and,
4. a limited guarantee, in support of all obligations of East Lake Collision Ltd. owing to the Bank up to the maximum principal amount of \$750,000, dated March 10, 2022,

(collectively, the "**Guarantees**").

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

As security for the Guarantees the Guarantor granted a General Security Agreement dated September 25, 2020, (the "**Security**").

The Guarantees are payable upon demand. Demand is hereby made upon you for payment of the Borrower Indebtedness, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Guarantor will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

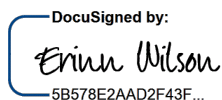
If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose for service upon the Guarantor a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**NOI**"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

for  5B578E2AAD2F43F...

Afshan Naveed  
Partner

Enclosure

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Arrow Auto Body Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**ARROW AUTO BODY LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B42199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1**With Copy To:**MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose

for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for

*Erinn Wilson*

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Atshan Naveed

Partner

AN

Enclosures



**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;

39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

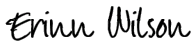
Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
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Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



November 8, 2023

File No.: 127469-1742

**Sent Via Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com) and [shane@collisionkings.ca](mailto:shane@collisionkings.ca)**

Royal Vista Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4

**With Copy To:**  
MLT Aikins LLP  
30 Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**Re: Guarantee of the Obligations of CMD Holdings Inc., Sunridge Collision Ltd., Mayland Heights Collision Ltd. and East Lake Collision Ltd. (collectively, the "Borrower") to The Toronto-Dominion Bank (the "Bank") provided by Royal Vista Collision Ltd. (the "Guarantor")**

We are counsel to the Bank in connection with the credit facilities outstanding between the Bank and the Borrower.

Advances have been made by the Bank to, *inter alia*, the Borrower under the Facility Documents. The Borrower is indebted to the Bank, as of **October 31, 2023**, in the amount **\$11,885,926.47** plus interest, plus all fees and costs, including all legal costs incurred by the Bank on a solicitor and its own client basis (the "**Borrower Indebtedness**").

Demand has been made by the Bank upon the Borrower for repayment of the Borrower Indebtedness. A copy of the demand is enclosed.

Reference is made to the following guarantees granted by the Guarantor in support of the obligations of each of the Borrower(s) owing to the Bank:

1. unlimited guarantee in support of all obligations of CMD Holdings Inc. owing to the Bank, dated September 25, 2020, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
2. a limited guarantee in support of all obligations of Sunridge Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
3. a limited guarantee in support of all obligations of Mayland Heights Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis); and

4. a limited guarantee in support of all obligations of East Lake Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);

(collectively, the “**Guarantees**”).

As security for the Guarantees the Guarantor granted a General Security Agreement dated September 25, 2020, (the “**Security**”).

The Guarantees are payable upon demand. Demand is hereby made upon you for payment of the Borrower Indebtedness, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Guarantor will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

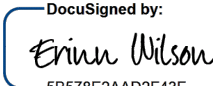
If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose for service upon the Guarantor a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**NOI**”). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank’s security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

for 5B578E2AAD2F43F...

Afshan Naveed  
Partner

Enclosure

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Royal Vista Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

5B578E2AAD2F43F...

Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**ROYAL VISTA COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B42199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1**With Copy To:**MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose

for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for

Erinn Wilson

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Atshan Naveed

Partner

AN

Enclosures



**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;

39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:

*Erinn Wilson*

5B578E2AAB2F43F...

Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



November 8, 2023

File No.: 127469-1742

**Sent Via Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com) and [shane@collisionkings.ca](mailto:shane@collisionkings.ca)**

Stathko Investments Ltd.  
2100-222 3 Avenue SW  
Calgary AB T2P 0B4

**With Copy To:**  
MLT Aikins LLP  
30 Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**Re: Guarantee of the Obligations of CMD Holdings Inc., Sunridge Collision Ltd., Mayland Heights Collision Ltd. and East Lake Collision Ltd. (collectively, the "Borrower") to The Toronto-Dominion Bank (the "Bank") provided by Stathko Investments Ltd. (the "Guarantor")**

We are counsel to the Bank in connection with the credit facilities outstanding between the Bank and the Borrower.

Advances have been made by the Bank to, *inter alia*, the Borrower under the Facility Documents. The Borrower is indebted to the Bank, as of **October 31, 2023**, in the amount **\$11,885,926.47** plus interest, plus all fees and costs, including all legal costs incurred by the Bank on a solicitor and its own client basis (the "**Borrower Indebtedness**").

Demand has been made by the Bank upon the Borrower for repayment of the Borrower Indebtedness. A copy of the demand is enclosed.

Reference is made to the following guarantees granted by the Guarantor in support of the obligations of each of the Borrower(s) owing to the Bank:

1. unlimited guarantee in support of all obligations of CMD Holdings Inc. owing to the Bank, dated September 25, 2020, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
2. a limited guarantee in support of all obligations of Sunridge Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
3. a limited guarantee in support of all obligations of Mayland Heights Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis); and

4. a limited guarantee in support of all obligations of East Lake Collision Ltd. owing to the Bank, dated March 10, 2022, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);

(collectively, the “**Guarantees**”).

As security for the Guarantees the Guarantor granted a General Security Agreement dated September 25, 2020, (the “**Security**”).

The Guarantees are payable upon demand. Demand is hereby made upon you for payment of the Borrower Indebtedness, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Guarantor will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street SW  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose for service upon the Guarantor a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the “**NOI**”). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank’s security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

for 5B578E2AAD2F43F...

Afshan Naveed  
Partner

Enclosure

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Stathko Investments Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**STATHKO INVESTMENTS LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B42199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1**With Copy To:**MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose

for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for



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Atshan Naveed

Partner

AN

Enclosures



**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;

39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAB2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.



November 8, 2023

File No.: 127469-1742

**Sent Via Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com) and [shane@collisionkings.ca](mailto:shane@collisionkings.ca)**

Shane Daerden  
371 Niagara Street  
Winnipeg MB R3C 0V3

**With Copy To:**  
MLT Aikins LLP  
30 Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**Re: Guarantee of the Obligations of CMD Holdings Inc., 2199931 Alberta Ltd., and Collision Kings 3 Ltd., (collectively, the "Borrower") to The Toronto-Dominion Bank (the "Bank") provided by Shane Daerden (the "Guarantor")**

We are counsel to the Bank in connection with the credit facilities outstanding between the Bank and the Borrower.

Advances have been made by the Bank to, *inter alia*, the Borrower under the Facility Documents. The Borrower is indebted to the Bank, as of **October 31, 2023**, in the amount **\$11,885,926.47** plus interest, plus all fees and costs, including all legal costs incurred by the Bank on a solicitor and its own client basis (the "**Borrower Indebtedness**").

Demand has been made by the Bank upon the Borrower for repayment of the Borrower Indebtedness. A copy of the demand is enclosed.

Reference is made to the following guarantees granted by the Guarantor in support of the obligations of each of the Borrower(s) owing to the Bank:

1. a limited guarantee in support of all obligations of 2199931 Alberta Ltd. owing to the Bank, dated November 15, 2019, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);
2. a limited guarantee in support of all obligations of Collision Kings 3 Ltd. owing to the Bank, dated August 1, 2019, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis); and
3. unlimited guarantee in support of all obligations of CMD Holdings Inc. owing to the Bank, dated September 25, 2020, including all principal, interest, costs and expenses (including all legal costs on a solicitor and own client basis);

(collectively, the "**Guarantees**").

The Guarantees are payable upon demand. Demand is hereby made upon you for payment of the Borrower Indebtedness, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Guarantor will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP, in Trust  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount.

The Bank reserves its rights to proceed against the Guarantor: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

for  5B578E2AAD2F43F...

Afshan Naveed  
Partner

Enclosure

November 8, 2023

File No.: 127469-1742

Sent Via Email: jburnell@mltaikins.com and shane@collisionkings.ca

CMD Holdings Inc.  
2100, 222 – 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4East Lake Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Mayland Heights Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B4Sunridge Collision Ltd.  
2100-222 3 Avenue S.W.  
Calgary AB T2P 0B42199931 Alberta Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1Collision Kings 3 Ltd.  
2200-10235 101 Street N.W.  
Edmonton AB T5J 3G1**With Copy To:**MLT Aikins LLP  
30Flr-360 Main Street  
Winnipeg MB R3C 4G1

Attention: J.J. Burnell and Shane Daerden

**RE: Credit Facilities extended by The Toronto-Dominion Bank to CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., and, 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Borrowers”)**

We are counsel to The Toronto-Dominion Bank (the “Bank”). As you are aware the Borrowers are indebted to the Bank in connection with the credit facilities outstanding between the Bank and the Borrowers. Reference is made to the credit facility documentation set out in Schedule “A” to this letter (hereafter, the “Facility Documents”).

Advances have been made to the Borrowers by the Bank under the Facility Documents. The Borrowers are presently indebted to the Bank as follows:

Facility	Principal	Accrued Interest	Total	Per Diem
Omnibus OPR	\$2,241,752.81	\$34,577.03	\$2,276,329.84	
CMD - Cash Flow Loan	\$3,500,000.05	\$3,014.79	\$3,503,014.84	\$376.85
CMD - Visa Contingency	\$275,000.00		\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$2,167.66	\$734,754.58	\$80.28

Zaanouni Law Firm & Associates ► LuatViet ► Fernanda Lopes & Associados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

Facility	Principal	Accrued Interest	Total	Per Diem
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$642.33	\$733,302.04	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$2,672.24	\$1,489,513.15	\$334.03
2199931 - Visa Contingency	\$110,000.00		\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$109.59	\$1,000,109.59	\$109.59
2199931 -CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Cash Flow Loan	\$755,845.81	\$4,754.58	\$760,600.39	\$169.81
CK3 - CEBA Loan	\$60,000.00		\$60,000.00	
CK3 - Visa Contingency	\$110,000.00		\$110,000.00	
CKGI - CEBA Loan	\$40,000.00		\$40,000.00	
<b>Legal Fees (Ongoing)</b>				
<b>Total</b>	<b>\$11,837,345.92</b>	<b>\$48,580.55</b>	<b>\$11,885,926.47</b>	<b>\$1,231.14</b>

The Borrowers are in default of the Loan Agreements as the Bank, in good faith, believes there has been a material adverse change in the financial position of the Borrowers (collectively the “**Defaults**”). Please note that the Bank continues to review and investigate its security position and additional defaults may be relied upon. In addition, the operating line is payable on demand.

The indebtedness owing by the Borrowers pursuant to the Facility Documents is repayable upon demand by the Bank, or upon demand after Default. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Facility Documents, which amounts equal, as of **October 31, 2023**, the sum of **\$11,885,926.47**, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs on a solicitor and own client basis (the “**Indebtedness**”).

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by the Bank for which the Borrowers will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

The Toronto-Dominion Bank  
c/o Dentons Canada LLP  
1500-850 2 Street S.W.  
Calgary AB T2P 0R8  
Attention: Ms. Afshan Naveed

If full payment as set forth above is not received by close of business on **November 20, 2023**, the Bank will take whatever steps it deems appropriate to seek repayment of the said amount. To this end, we enclose

for service upon the Borrowers a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "NOI"). If you are prepared to waive the ten day notice period, please provide your consent to early enforcement of the Bank's security by executing the consent and waiver attached to the NOI.

The Bank reserves its rights to proceed against the Borrowers: (a) prior to the time stipulated above in the event that it determines that its position is further jeopardized; and (b) any time, or from time to time, after any dates stipulated above have passed, and in any case without the necessity of serving a new demand for payment.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

Dentons Canada LLP

DocuSigned by:

for



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Atshan Naveed

Partner

AN

Enclosures

**SCHEDULE "A"**  
**FACILITY DOCUMENTS**

The Bank intends to rely upon all of its agreements and security provided by the debtor and related parties including, but not limited to, the following:

1. Letter agreement dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023 and September 5, 2023;
2. General Security Agreement, granted by CMD Holdings Inc. in favour of the Bank, dated September 25, 2020;
3. General Security Agreement, granted by 2199931 Alberta Ltd., in favour of the Bank, dated November 15, 2019;
4. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Bank, dated January 17, 2023;
5. General Security Agreement, granted by Stathko Investments Ltd., in favour of the Bank, dated September 25, 2020;
6. General Security Agreement, granted by Sunridge Collision Ltd., in favour of the Bank, dated September 25, 2020;
7. General Security Agreement, granted by Arrow Auto Body Ltd., in favour of the Bank, dated September 25, 2020;
8. General Security Agreement, granted by CMD Glass Ltd., in favour of the Bank, dated September 25, 2020;
9. General Security Agreement, granted by Royal Vista Collision Ltd., in favour of the Bank, dated September 25, 2020;
10. General Security Agreement, granted by East Lake Collision Ltd., in favour of the Bank, dated September 25, 2020;
11. General Security Agreement, granted by Collision Kings 3 Ltd., in favour of the Bank, dated August 1, 2019;
12. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to 2199931 Alberta Ltd.;
13. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Bank, with respect to the Borrower;

14. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Bank, with respect to Collision Kings 3 Ltd.;
15. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane Daerden to the Bank, dated November 15, 2019, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
16. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane Daerden to the Bank, dated August 1, 2019, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
17. Guarantee and Postponement of Claim, unlimited, from Arrow Auto Body Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
18. Guarantee and Postponement of Claim, unlimited, from CMD Glass Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
19. Guarantee and Postponement of Claim, unlimited, from East Lake Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
20. Guarantee and Postponement of Claim, unlimited, from Mayland Heights Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
21. Guarantee and Postponement of Claim, unlimited, from Royal Vista Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
22. Guarantee and Postponement of Claim, unlimited, from Shane Daerden to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
23. Guarantee and Postponement of Claim, unlimited, from Stathko Investments Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
24. Guarantee and Postponement of Claim, unlimited, from Sunridge Collision Ltd. to the Bank, dated September 25, 2020, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
25. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Mayland Heights Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
26. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., East Lake Collision Ltd., Royal Vista Collision Ltd., Stathko

- Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
27. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow Auto Body Ltd., CMD Glass Ltd., Mayland Heights Collision Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd. and Sunridge Collision Ltd. to the Bank, dated March 10, 2022, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  28. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of East Lake Collision Ltd. owing to the Bank;
  29. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Mayland Heights Collision Ltd. owing to the Bank;
  30. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  31. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  32. Guarantee and Postponement of Claim, unlimited, from CMD Holdings Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Sunridge Collision Ltd. owing to the Bank;
  33. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  34. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of 2199931 Alberta Ltd. owing to the Bank;
  35. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  36. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of CMD Holdings Inc. owing to the Bank;
  37. Guarantee and Postponement of Claim, unlimited, from 2199931 Alberta Ltd. to the Bank, dated January 17, 2023, with respect to the obligations of Collision Kings 3 Ltd. owing to the Bank;
  38. Investment Property Pledge Agreement from CMD Holdings Inc. to the Bank, dated September 25, 2020, with respect to certain shares in Arrow Auto Body Ltd., Sunridge Collision Ltd., Royal Vista Collision Ltd., CMD Glass Ltd., East Lake Collision Ltd., Mayland Heights Collision Ltd. and Stathko Investments Ltd. held by Collision Kings Group Inc.;



39. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in 2199931 Alberta Ltd. held by Collision Kings Group Inc.; and
40. Investment Property Pledge Agreement from Collision Kings Group Inc. to the Bank, dated January 17, 2023, with respect to all issued and outstanding shares in Collision Kings 3 Ltd. held by Collision Kings Group Inc.

The Bank further relies upon all guarantees and additional collateral security as may have been provided in support of the Indebtedness, all as may have been entered into from time to time, all as may have been entered into from time to time.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: CMD Holdings Inc., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CMD HOLDINGS INC.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Mayland Heights Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erin Wilson*  
5B578E2AAD2E43E...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**MAYLAND HEIGHTS COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: 2199931 Alberta Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAB2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**2199931 ALBERTA LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: East Lake Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B378E2AAD2F43F...  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank



**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**EAST LAKE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Sunridge Collision Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated September 25, 2020 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2E43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**SUNRIDGE COLLISION LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

FORM 86

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(Rule 124)

To: Collision Kings 3 Ltd., an insolvent person,

Take notice that:

1. The Toronto-Dominion Bank (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
  - (a) all present and after-acquired personal property;
  - (b) all real and immovable property, both freehold and leasehold, together with all buildings and fixtures, and all rights under any lease or agreement relating to real property; and
  - (c) all proceeds of the foregoing collateral.
2. The security that is to be enforced is a General Security Agreement, dated August 1, 2019 (the "**Security**").
3. The total amount of indebtedness secured by the Security is, as at **October 31, 2023**, **\$11,885,926.47**, plus all further accruing interest and all costs, including legal costs on a solicitor and own client basis.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the ten day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 8<sup>th</sup> day of November, 2023.

for

Per:

DocuSigned by:  
*Erinn Wilson*  
5B578E2AAD2F43F...  
\_\_\_\_\_  
Afshan Naveed  
Dentons Canada LLP  
Solicitors for The Toronto-Dominion  
Bank

**CONSENT AND WAIVER**

**WE THE UNDERSIGNED** hereby:

1. Acknowledge receipt of the Notice herein;
2. Waive the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and
3. Consent to the immediate enforcement by the Secured Party of the Security referred to herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**COLLISION KINGS 3 LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**THIS IS EXHIBIT "66" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**FORBEARANCE AGREEMENT**

**THIS FORBEARANCE AGREEMENT** is dated effective on the 22<sup>nd</sup> day of December, 2023

**BETWEEN:**

**The Toronto-Dominion Bank  
(the "Lender")**

**-and-**

**CMD Holdings Inc.  
("CMD Holdings")**

**-and-**

**East Lake Collision Ltd.  
("East Lake")**

**-and-**

**Mayland Heights Collision Ltd.  
("Mayland")**

**-and-**

**Sunridge Collision Ltd.  
("Sunridge")**

**-and-**

**2199931 Alberta Ltd.  
("219 AB")**

**-and-**

**Collision Kings 3 Ltd.  
("Kings 3")**

**-and-**

**Arrow Auto Body Ltd.  
("Arrow")**

**-and-**

**CMD Glass Ltd.  
("CMD Glass")**

**-and-**

**Royal Vista Collision Ltd.  
("Royal Vista")**

**-and-**

**Stathko Investments Ltd.**  
("Stathko", CMD Holdings, East Lake, Mayland, Sunridge 219 AB, Arrow, CMD Glass, Royal Vista,  
collectively the "Corporate Loan Parties")

-and-

**Shane Daerden**  
("Shane")

(the foregoing being the "Parties" and each a "Party", and the Parties, excepting the  
Lender, collectively being the "Loan Parties" and each a "Loan Party").

**WHEREAS:**

A. the Lender entered various credit facilities with the Corporate Loan Parties, including but not limited to the following:

- a. Letter agreement, between CMD Holdings, East Lake, Mayland, Sunridge, 219 AB and Collision Kings Group Inc., Kings 3, as borrowers, the Lender, as lender, and Arrow, CMD Glass, Royal Vista and Stathko, as guarantors, dated November 21, 2022, as amended from time to time, including but not limited to, by letter agreements dated, November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023;

(collectively the "Facility Documents", and thereunder provided various loans (the "Loans") to the Loan Parties;

B. to secure its obligations to the Lender, the Corporate Loan Parties provided, *inter alia*, the following security:

- a. General Security Agreement, granted by CMD Holdings in favour of the Lender, dated September 25, 2020;
- b. General Security Agreement, granted by 219 AB, in favour of the Lender, dated November 15, 2019;
- c. General Security Agreement, granted by Collision Kings Group Inc., in favour of the Lender, dated January 17, 2023;
- d. General Security Agreement, granted by Stathko, in favour of the Lender, dated September 25, 2020;
- e. General Security Agreement, granted by Sunridge, in favour of the Lender, dated September 25, 2020;
- f. General Security Agreement, granted by Arrow, in favour of the Lender, dated September 25, 2020;
- g. General Security Agreement, granted by CMD Glass, in favour of the Lender, dated September 25, 2020;



- h. General Security Agreement, granted by Royal Vista, in favour of the Lender, dated September 25, 2020;
- i. General Security Agreement, granted by East Lake, in favour of the Lender, dated September 25, 2020;
- j. General Security Agreement, granted by Kings 3, in favour of the Lender, dated August 1, 2019;
- k. General Security Agreement, granted by Mayland Heights, dated September 25, 2020;

(the above being the "GSA");

- C. in support of the repayment of the Loans to the Lender, the Loan Parties provided the following guarantees and postponement and assignments of claim, in favour of the Lender:
  - a. Guarantee and Postponement of Claim, limited to the sum of \$955,000 plus costs, from Shane to the Lender, dated November 15, 2019, with respect to the obligations of 219 AB owing to the Lender;
  - b. Guarantee and Postponement of Claim, limited to the sum of \$560,000 plus costs, from Shane to the Lender, dated August 1, 2019, with respect to the obligations of Kings 3 owing to the Lender;
  - c. Guarantee and Postponement of Claim, unlimited, from Shane to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - d. Guarantee and Postponement of Claim, unlimited, from Arrow to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - e. Guarantee and Postponement of Claim, unlimited, from CMD Glass to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - f. Guarantee and Postponement of Claim, unlimited, from East Lake to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - g. Guarantee and Postponement of Claim, unlimited, from Mayland to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - h. Guarantee and Postponement of Claim, unlimited, from Royal Vista to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - i. Guarantee and Postponement of Claim, unlimited, from Stathko to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - j. Guarantee and Postponement of Claim, unlimited, from Sunridge to the Lender, dated September 25, 2020, with respect to the obligations of CMD Holdings owing to the Lender;
  - k. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow, CMD Glass, East Lake, Royal Vista, Stathko and Mayland to the Lender, dated March 10, 2022, with respect to the obligations of Sunridge owing to the Lender;

- l. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow, CMD Glass, East Lake, Royal Vista, Stathko and Sunridge to the Lender, dated March 10, 2022, with respect to the obligations of Mayland owing to the Lender;
- m. Guarantee and Postponement of Claim, limited to the sum of \$750,000 plus costs, from Arrow, CMD Glass, Mayland, Royal Vista, Stathko and Sunridge to the Lender, dated March 10, 2022, with respect to the obligations of East Lake owing to the Lender;
- n. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated January 17, 2023, with respect to the obligations of East Lake owing to the Lender;
- o. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated January 17, 2023, with respect to the obligations of Mayland owing to the Lender;
- p. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated January 17, 2023, with respect to the obligations of 219 AB owing to the Lender;
- q. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated January 17, 2023, with respect to the obligations of Kings 3 owing to the Lender;
- r. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated January 17, 2023, with respect to the obligations of Sunridge owing to the Lender;
- s. Guarantee and Postponement of Claim, unlimited, from CMD Holdings to the Lender, dated September 25, 2020, with respect to the obligations of 2270683 Alberta Ltd. owing to the Lender;
- t. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Lender, dated January 17, 2023, with respect to the obligations of CMD Holdings owing to the Lender;
- u. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Lender, dated January 17, 2023, with respect to the obligations of 219 AB owing to the Lender;
- v. Guarantee and Postponement of Claim, unlimited, from Collision Kings Group Inc. to the Lender, dated January 17, 2023, with respect to the obligations of Kings 3 owing to the Lender;
- w. Guarantee and Postponement of Claim, unlimited, from 219 AB to the Lender, dated January 17, 2023, with respect to the obligations of CMD Holdings owing to the Lender;
- x. Guarantee and Postponement of Claim, unlimited, from 219 AB to the Lender, dated January 17, 2023, with respect to the obligations of Kings 3 owing to the Lender;
- y. Guarantee and Postponement of Claim, unlimited, from 219 AB to the Lender, dated March 7, 2023, with respect to the obligations of Kings 3 owing to the Lender; and
- z. Guarantee and Postponement of Claim, unlimited, from Kings 3 to the Lender, dated March 7, 2023, with respect to the obligations of 219 AB owing to the Lender;

(collectively the "**Guarantees**" with Arrow, Royal Vista, CMD Glass, Stathko, and Shane also each referred to collectively as the "**Guarantors**" and each a "**Guarantor**");

- D. in support of the repayment of the Loans to the Lender, the Corporate Loan Parties provided the following postponement and assignments of claims, in favour of the Lender:
- a. Postponement and Assignment of Creditor Claim and Postponement of Security, dated November 15, 2019, provided by Collision Kings Group Inc., to the Lender, with respect to 219 AB;
  - b. Postponement and Assignment of Creditor Claim and Postponement of Security, dated September 25, 2020, provided by Collision Kings Group Inc., to the Lender, with respect to the CMD Holdings;
  - c. Postponement and Assignment of Creditor Claim and Postponement of Security, dated August 1, 2019, provided by Collision Kings Group Inc., to the Lender, with respect to Kings 3;
  - d. Subordination and Priority Agreement, dated August 1, 2019, provided by Don Golden Auto Body Ltd., the Lender and Collision Kings 3 to the Lender;
  - e. Subordination and Priority Agreement dated September 25, 2020 provided by Christos Stathonikos Family Trust, Matthew Stathonikos Family Trust, David Stretz Family Trust, Domna Investments Inc., 1427916 Alberta Inc., and 1427913 Alberta Inc., to the Lender;

(along with assignment and postponements contained in the Guarantees, collectively the "**P&A's**");

- E. the Guarantees, the P&A's, GSA, along with all other agreements, instruments and other documents executed in connection with or relating to the obligations of the Loan Parties are collectively the "**Security**";
- F. the terms of the indebtedness of the Loan Parties under the Facility Documents, and Security (referred to collectively as the "**Loan Documents**") includes that the indebtedness would be payable in full on demand or on demand following default, and demand has been made upon each of the Loan Parties;
- G. CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB are in default of their obligations under the Loan Documents, including (without limitation) as the Lender, in good faith, believes there has been a material adverse change in the financial position of CMD Holdings (collectively the "**Existing Defaults**").
- H. the Loan Parties have requested that the Lender forbear from enforcement of the Security to provide them with a limited period of time in which to pay the Indebtedness (as defined herein) to the Lender;
- I. the Lender has agreed to forbear from immediate enforcement of its rights under the Security upon the terms and conditions set out in this Agreement;

**NOW THEREFORE** in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration exchanged between the Parties, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**ARTICLE 1**  
**ACKNOWLEDGEMENTS AND WAIVERS**

**1.1 Acknowledgements.** The Loan Parties hereby acknowledge and agree that:

- (a) the facts as set out in the Recitals to this Agreement are true and accurate in all respects and the same are expressly incorporated into and form part of this Agreement;
- (b) the Loan Documents and all covenants, terms and provisions thereof shall be and continue to be in full force and effect and the Loan Documents are hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect, subject only to any amendments provided hereunder;
- (c) the Lender has not made any promises, other than the covenants and agreements specifically contained herein, and has not taken any action or omitted to take any action, that would constitute a waiver or estoppel of the Lender's rights to enforce the Security or pursue its remedies in respect of the Loan Documents;
- (d) the Facility Documents are valid and binding and the Loan Parties are liable for all obligations owing to the Lender under the Facility Documents, howsoever and wheresoever they arise, including all interest, fees, costs (including legal fees on a solicitor and his own client, full indemnity basis) and expenses incurred or accruing by the Lender and all other indebtedness of the Loan Parties to the Lender, including as may hereafter be advanced, charged or incurred;
- (e) the Guarantees are valid and binding upon the Guarantors, and the Guarantors are liable for all obligations owing to the Lender under the respective terms of their Guarantees, howsoever and wheresoever they arise, including all interest, fees, costs (including legal fees on a solicitor and his own client full indemnity basis), and expenses incurred or accruing by the Lender and all other indebtedness of the Guarantors to the Lender, including as may hereafter be advanced, charged or incurred;
- (f) as of **November 27, 2023**, the following amounts are owing to the Lender in respect of principal and interest:

Facility	Principal	Accrued Interest	Additional Amounts	Total	Per Diem
Omnibus OPR	\$2,141,928.22	\$32,921.92	\$171.25	\$2,175,021.39	
CMD - Cash Flow Loan	\$3,500,000.05	\$13,189.73		\$3,513,189.78	\$376.85
CMD - Visa Contingency	\$275,000.00			\$275,000.00	
East Lake Collision - HASCAP Loan	\$732,586.92	\$1,685.95		\$734,272.87	\$80.28
Mayland Heights Collision - HASCAP Loan	\$732,659.71	\$481.74		\$733,141.45	\$80.29
Sunridge Collision - HASCAP Loan	\$732,659.71	\$481.74		\$733,141.45	\$80.29
2199931 - Cash Flow Loan	\$1,486,840.91	\$11,691.05		\$1,498,531.96	\$334.03
2199931 - Visa Contingency	\$110,000.00			\$110,000.00	
2199931 - HASCAP Loan	\$1,000,000.00	\$3,068.49		\$1,003,068.49	\$109.59
2199931 - CEBA Loan	\$60,000.00			\$60,000.00	
CK3 - Cash Flow Loan	\$737,768.39	\$4,309.38		\$742,077.77	\$165.75
CK3 - CEBA Loan	\$60,000.00			\$60,000.00	
CK3 - Visa Contingency	\$110,000.00			\$110,000.00	
CKGI - CEBA Loan	\$40,000.00			\$40,000.00	
<b>Total</b>	<b>\$11,719,443.91</b>	<b>\$67,830.00</b>	<b>\$171.25</b>	<b>\$11,787,445.16</b>	<b>\$1,227.08</b>

which amounts continue to accrue interest, plus all ongoing professional fees, charges and costs for which the Loan Parties are liable (together, hereafter the "Indebtedness");

- (g) the Loan Parties are in default of their obligations to the Lender under the Loan Documents for reason of the Existing Default;
- (h) the Indebtedness is cross-guaranteed, such that the Loan Parties are jointly and severally liable for the Indebtedness, in accordance with the terms of their respective Guarantees;
- (i) the Security:
  - A. has been duly granted by the Loan Parties in favour of the Lender and is valid, enforceable, and binding upon the Loan Parties in all respects;
  - B. has been provided by the Loan Parties to the Lender to secure repayment and performance of all of their respective obligations to the Lender, without limitation, including the Indebtedness and all amounts now or in the future owing to the Lender; and
  - C. has not been discharged, varied, waived or altered and each of the documents comprising the Security is valid, binding upon the Loan Parties and is enforceable against the Loan Parties in accordance with the terms thereof;
- (j) the Loan Parties were each duly served with demands for repayment of the Indebtedness (the "**Demands**") and acknowledge and agree the full amount of the Indebtedness for each of them is fully accelerated, due and payable to the Lender;
- (k) all Loan Parties, with the exception of Shane, were duly served with a Notice of Intention to Enforce Security ("**NOI**"), pursuant to section 244 of the Bankruptcy and Insolvency Act, RSC 1985 c B-3 (the "**BIA**");
- (l) the Lender is entitled to exercise all rights and remedies pursuant to the Loan Documents or otherwise available at law against the Loan Parties forthwith and without any further notice;
- (m) the Loan Parties do not dispute their respective and joint liability to repay the Indebtedness on any basis and confirm all rights of the Lender are and shall remain in full force and effect. The Loan Parties hereby confirm that the Loan Documents are in full force and effect and that the Loan Parties have no rights of set off, damages, recoupment or other offset or any defense, claim or counterclaim with respect to the validity and enforceability of any of the Loan Documents; and
- (n) the Lender has the right to terminate the extension of any additional credit under the Facility Documents at any time, in its absolute discretion.

## 1.2 **Release and Waiver.**

- (a) The Loan Parties hereby release and forever discharge the Lender and its respective affiliates, and their respective past, present, and future employees, representatives, counsel, directors, officers, servants, agents, consultants, shareholders, assigns, insurers, predecessors, and successors (collectively, the "**Releasees**"), of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, damages, losses, liabilities, costs, and expenses of any nature or kind whatsoever, whether known, unknown or discovered, suspected or unsuspected, whether at law or in equity, which the Loan Parties or any of them ever had or now have or hereafter can, shall or may have or by

reason of any cause, matter or thing whatsoever existing up to the present time relating, whether directly or indirectly, to the Indebtedness, the Loan Documents or any errors or omissions of any of the Releasees with regard thereto;

- (b) The Loan Parties hereby waive against each of the Releasees any defence that the Loan Parties or any of them has or may have existing up to the present time to any present or future legal action or other enforcement brought by the Lender to collect the Indebtedness or enforce or realize upon the Loan Documents or the Security, whether said defence arises (and expressed through counterclaim, defence, or otherwise) by reason of any cause, matter, error, omission, neglect or thing caused or done, whether direct or indirect, by any of the Releasees existing as at the date of this Agreement relating to or arising, whether directly or indirectly, from the Indebtedness or the Loan Documents;
- (c) The Loan Parties hereby acknowledge that the Lender has not waived any of its rights in respect of the Existing Default and expressly reserves its right to rely on the Existing Default, and any other events of default, upon the occurrence of a Termination Event (as defined in this Agreement); and
- (d) Each of the Loan Parties hereby agree that they shall be obligated to indemnify and hold the Releasees harmless with respect to any and all liabilities, obligations, losses, penalties, actions, judgments, suits, claims, legal costs on a solicitor and its own client full indemnity basis, expenses or disbursements of any kind or nature whatsoever incurred by the Releasees, or any of them, whether direct, indirect or consequential, as a result of or arising from or relating to any proceeding by, or on behalf of any person, including, without limitation, the Loan Parties, the respective officers, directors, agents, trustees, creditors, partners or shareholders of the Loan Parties, or any of their respective subsidiaries, whether threatened or initiated, in respect of any claim for legal or equitable remedy under any statute, regulation or common law principle arising from or in connection with the negotiation, preparation, execution, delivery, performance, administration and enforcement of the Loan Documents, this Agreement or any other document executed and/or delivered in connection herewith or therewith. The foregoing indemnity shall survive the termination of this Agreement, the Loan Documents, and the payment in full of the Indebtedness.

**1.3** **No Protection Without Consent.** Each Loan Party covenants and agrees that it will not, without the prior express written consent of the Lender, make any filing or seek any protection (including a stay of proceedings) pursuant to the BIA, the *Companies' Creditors Arrangement Act*, RSC 1985 c C-36 (the "**CCAA**"), or otherwise at law or in equity; however, Shane shall be entitled to assign himself into bankruptcy and/or personally make a proposal under the BIA without consent.

## **ARTICLE 2** **FORBEARANCE**

**2.1** **Forbearance.** The Lender covenants and agrees, subject to the terms and conditions hereof, that it will take no action to enforce their rights and remedies under the Security, including:

- (a) appoint a receiver pursuant to the Facility Documents or the Security, or otherwise enforce the Security;
- (b) seize any of the property, assets or undertaking of the Loan Parties;

- (c) commence or continue any proceeding or application in any court of competent jurisdiction including, without limitation, issuing claims against the Loan Parties, appointing of a receiver or receiver-manager in respect of the Loan Parties or any or all of its assets; or
- (d) issue any application pursuant to the BIA or any other insolvency or corporate laws against the Loan Parties.

**2.2 Forbearance Period.** The forbearance of the Lender's rights pursuant to this Article 2 (the "**Forbearance Period**") shall remain in full force and effect until the earlier of any of the following events (each event hereinafter referred to as a "**Termination Event**"):

- (a) except as expressly permitted herein, any default by a Loan Party, apart from the Existing Default, including, without limitation, the non-performance of any obligation of a Loan Party under any agreement with the Lender, including but not limited to the Loan Documents and this Agreement;
- (b) any person or entity other than the Lender taking any step against or in respect of the Loan Parties or any of the Loan Parties' affiliates in the manner of making demand for payment (excluding notices of true-up payments), delivering notice of enforcement or legal action, or serving any garnishment or requirement/enhanced requirement to pay, which for greater clarity includes any person or entity other than the Lender taking any step described in Article 2.1 hereof;
- (c) the Lender acting reasonably deems any of the collateral subject to the Security to be in jeopardy;
- (d) except as set out above in respect of Shane, the Loan Parties or any one of them making an assignment in bankruptcy or any other assignment for the benefit of creditors, making any proposal or seeking any relief under the BIA, the *Business Corporations Act* (Alberta), the CCAA, the *Winding-Up and Restructuring Act* (Canada), or any other bankruptcy, insolvency or analogous law in Canada, the United States or elsewhere as the case may be;
- (e) a Material Variance to Cash Flow (as those terms are defined hereunder);
- (f) any material adverse change that arises after the date of this Agreement to the Loan Parties, as determined by the Lender in its sole and absolute discretion; or
- (g) 4:00 p.m. (Calgary time) on **January 31, 2024** (the "**Forbearance Date**").

Upon the occurrence of a Termination Event, and subject to applicable law, the Lender shall be at liberty to immediately take any action otherwise precluded under Article 2.1 hereof.

**2.3 Forbearance Extension.** If, in the Lender's sole and unfettered discretion, the Lender determines an extension of the Forbearance Date is warranted, the Lender may provide in writing to the Loan Parties (including by email, facsimile or any other written means), the Lender's confirmation of its agreement to an extension and the date and time the Forbearance Date has been extended to. The Lender may require, in its sole and absolute discretion: i) definitive documentation or other written confirmation, in form and substance satisfactory to the Lender, demonstrating the Loan Parties' ability to complete a refinancing or other strategic alternative and repay the Indebtedness in full; ii) a forbearance extension fee; iii) an increase to applicable interest rates provided for in the Loan Documents.

**2.4 Termination Event.** Upon the occurrence of a Termination Event:

- (a) the Lender may pursue all rights and remedies that the Lender has in connection with the Loan Documents as the Lender deems appropriate and to the extent permissible by law including, without limitation, applying to have signed and entered the Consent Orders, as defined at Article 3 herein;
- (b) the Loan Parties, unconditionally and irrevocably, agree to provide the Lender with such necessary consents as it may require in order to immediately enforce the Security including, without limitation, the consent of the Loan Parties to the appointment of a receiver, receiver-manager, interim receiver, inspector, administrator, trustee, trustee in bankruptcy, monitor or such like enforcement agent as may be appointed by the Lender under the Security or by virtue of an order of a court of competent jurisdiction, as the Lender may direct, in its sole and unfettered discretion, however, such individual must be approved by the Loan Party, which approval shall not to be unreasonably withheld; and
- (c) the Loan Parties unconditionally and irrevocably agree that any receiver, receiver-manager or interim receiver as may be appointed by the Lender, or under any court order is free to act concurrently or alternatively as a trustee in bankruptcy if the Lender requires the appointment of such a trustee, without conflict.

**2.5 Remedies not Exhaustive.** The foregoing remedies are not exhaustive and the Lender may in its sole discretion, elect to exercise some, none, or all of the foregoing remedies and such remedies may be exercised independently and in any order deemed necessary or advisable by the Lender upon the occurrence or during the continuation of any Termination Event.

**2.6 Power of Attorney.** Upon the occurrence of a Termination Event, the Corporate Loan Parties irrevocably constitute and appoint the Lender and each of its officers holding office from time to time as the true and lawful attorney of the Corporate Loan Parties with power of substitution in the name of the Corporate Loan Parties to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Lender, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise any of its rights and remedies hereunder and under the Loan Documents, and to do all acts or things necessary to realize or collect the Indebtedness, and the Loan Parties hereby ratify and agree to ratify all acts of any such attorney taken or done in accordance with this paragraph. The power of attorney set forth above is coupled with an interest, shall not be revoked or terminated by any act or thing other than the repayment in full of the Indebtedness by the Corporate Loan Parties. The Corporate Loan Parties hereby release the Lender from any claims, causes of action, and demands at any time arising out of or with respect to any actions taken or omitted to be taken by the Lender, under such powers of attorney other than actions taken or omitted to be taken through the gross negligence or wilful misconduct of the Lender.

**ARTICLE 3**  
**CONSENT ORDERS**

**3.1 Consent Receivership.** Concurrently with this Agreement, CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB shall deliver to the Lender's solicitors an original executed form of Order from the Alberta Court of King's Bench appointing a receiver and manager over all of their respective undertaking, property, and assets, in the form attached to this Agreement as Schedule "A" (the "**Consent Receivership Order**").



**3.2 Consent Judgments.** Concurrently with this Agreement, the Loan Parties shall execute and provide to the Lender's solicitor an original executed form of judgment from the Alberta Court of King's Bench providing for judgment for the Indebtedness and all accrued and accruing interest, costs, and fees (including legal fees on a solicitor-client, full indemnity basis), duly consented to and in a form satisfactory to the Lender, substantially as attached to this Agreement as Schedule "B" (the "**Consent Judgment**").

**3.3 Lender Consent Orders.** The Consent Judgment and Consent Receivership Order (collectively, the "**Lender Consent Orders**") shall be held by the solicitors for the Lender in trust until the occurrence of a Termination Event, at which time:

- (a) the Lender, or the Lender's agent, is authorized by the Loan Parties to fill in all blanks appearing in the Consent Orders as the Lender deems fit in its sole discretion;
- (b) the Lender, or the Lender's agent, in its sole and unfettered discretion and subject to applicable law, shall, after providing three business days notice to the Loan Parties in writing, be at liberty to bring an application before the Court of King's Bench for Alberta, at the Judicial Centre of Calgary, to have one or more of the Consent Orders signed by an Applications Judge or Justice of the Court of King's Bench (an "**Application**"), and may enter the Consent Order or Orders as soon as convenient thereafter, and the Loan Parties hereby expressly waive the right to:
  - i. receive any further notice of the Application; and
  - ii. contest the Application or withdraw their consent thereto;

The Loan Parties acknowledge and agree that the Lender's unfettered and irrevocable right to exercise the relief as set forth in this Article is a fundamental and essential term of this Agreement and, but for this Agreement, the Lender would have brought proceedings to enforce the remedies contemplated in this Article immediately.

**3.4 Judicial Centre.** The Loan Parties acknowledge and agree that any action commenced by the Lender in respect of the Loan Parties may be started and carried on in the judicial centre of Calgary, Alberta. The Loan Parties hereby waive any right to apply to transfer any judicial proceedings to another jurisdiction and expressly agree that Calgary is the most convenient forum for such action.

#### **ARTICLE 4** **COVENANTS**

**4.1 Loan Documents.** The Loan Parties will continue to observe all of their respective covenants under the Loan Documents, except as may be specifically amended in this Agreement.

**4.2 Account Documents.** The Loan Parties covenant and agree to execute and provide to the Lender, no later than December 31, 2023, the following account documentation:

- (a) Listing of or Change to Business Owners and/or Directors for all entities impacted by the recent shareholder change; and
- (b) updated Corporate Resolution for all entities impacted by the recent shareholder change;
- (c) updated Corporate Registry to acknowledge the change in ownerships and directors; and

- (d) updated ownership schematic for the Corporate Loan Parties and Collision Kings Group Inc. with end ownership percentages.

**4.3 Additional Security.** The Loan Parties covenant and agree to execute and provide to the Lender, on a best effort basis, the following additional security, in form and substance satisfactory to the Lender in its absolute discretion:

- (a) a general security agreement provided by Nick's Repair Service Ltd. ("**Nick's Repair**"), granting the Lender a security interest in all present and after-acquired property of Nick's Repair, to be registered in the Personal Property Registry of Manitoba; and
- (b) an unlimited Corporate Guarantee from Nick's Repair Service Ltd. to the Lender, with respect to the obligations of CMD Holdings to the Lender.

**4.4 Bulge.** The Loan Parties acknowledge and agree that the Lender has provided additional liquidity under the credit facilities by way of the following bulge facility:

- (a) concurrent with anticipated execution of this Agreement, the bulge, at the sole discretion of the Lender shall be made available, changing the total Operating Line limit (as defined in the Facility Documents), as follows:
  - A. \$2,850,000 from execution of this Agreement to December 31, 2023;
  - B. increasing to \$3,150,000 from January 1, 2024 to January 22, 2024;
  - C. reducing to \$2,650,000 from January 22 to January 29, 2024; and
  - D. increasing to \$3,400,000 from January 29 to January 31, 2024.

(the "**Forbearance Bulge**"). The Facility Documents are hereby amended to include this Forbearance Bulge

**4.5 Milestone Covenants.** The Loan Parties shall provide to the Lender the following confirmations and deliveries, upon or before the dates specified:

- (a) by December 15, 2023, a rolling 13-week cash flow forecast (the "**Cash Flow**"), to be prepared by the Loan Parties, with the input of the Financial Advisor, as required. The Cash Flow shall be updated on a weekly basis and provided to the Lender and Financial Advisor each Tuesday with a summary of actuals for the prior week and an additional forecast week added such that there are always 13-weeks of forecast (the "**CF Updates**");
- (b) by December 4, 2023, a Letter of Indication from the Lift Auto Group (the "**Lift Group**") evidencing their intention to enter a transaction with the Loan Parties, satisfactory to the Lender;
- (c) by December 31, 2023, the Loan Parties, shall provide evidence that, they have used best efforts to arrange for a deferral of principal payments on mortgage payment for the operations locations for Nick's Repair and Bunzy's Auto Body Ltd.;
- (d) by January 10, 2023, a purchase and sale agreement with the Lift Group, in form and substance satisfactory to the Lender;

in each case in form and substance satisfactory to the Lender in its absolute discretion (collectively, the "**Milestone Covenants**").

**4.6** **Deferral.** The Lender shall, at its sole discretion, be entitled to defer all principal and interest payments due and owing from the Loan Parties to the Lender pursuant to the Facility Documents, for the months of December 2023 and January 2024 (the "**Deferred Payments**"). In the event that such deferral is granted, the Deferred Payments shall be due and owing as of January 31, 2024.

**4.7** **Financial Advisor.** The Loan Parties acknowledge that the Lender has retained FTI Consulting Canada Inc. (the "**FTI**" or the "**Financial Advisor**") for the purpose of reviewing and reporting on the Loan Parties' affairs, including, without limitation, the Cash Flow, the CF Updates and the Forbearance Bulge. The Loan Parties acknowledge and agree that the Financial Advisor is retained by the Lender, at the Loan Parties' expense, on the following basis:

- (a) the Financial Advisor is retained solely for the benefit of the Lender and has no obligation to report or otherwise account to the Loan Parties or any of them for its activities, except as may be expressly provided for herein;
- (b) the Financial Advisor will assist in the preparation and review of the Cash Flow;
- (c) the Financial Advisor will review and provide comment to the Lender on compliance with the Milestone Covenants;
- (d) the Financial Advisor will provide a realization analysis with respect to the Loan Parties;
- (e) the Financial Advisor may provide to the Lender any reports and information it generates or receives concerning the Loan Parties, their respective business and property, and the Indebtedness, and will not be required to provide the Loan Parties with any such reports or information; and
- (f) the Loan Parties will not be entitled to receive copies of any reports, work product and information generated by the Financial Advisor at any time.

**4.8** **Access and Cooperation.** The Loan Parties covenant as follows:

- (a) to comply, as necessary, with FTI's Engagement Letter, affirming the engagement of the Financial Advisor, attached hereto as **Schedule "C"**;
- (b) with the exception of Shane, to give the Financial Advisor full and unrestricted access to all the Loan Parties' property, assets, lands and buildings and all personal property situated thereon, whether owned, leased or otherwise, by which the Loan Parties carry on business, provided it is understood that access shall be managed by the Financial Advisor and the Loan Parties so as not to interfere with the Loan Parties' normal business operations;
- (c) to provide to the Financial Advisor all books, records, and accounting documents, including financial statements, supporting notes, analysis, working papers and related documents, relating to the business and operations of the Loan Parties;
- (d) to supply to the Financial Advisor any information it requests and to instruct the Loan Parties' respective employees, agents, contractors, accountants, auditors, and consultants to supply any such information;

- (e) to cooperate with the Financial Advisor in every way to facilitate the discharge of the Financial Advisor's duties hereunder, including without limitation not to withhold any information which may be relevant to the Financial Advisor's review.

**4.9 Reporting.** Except as may be amended hereunder, the Loan Parties will continue to meet and observe all existing reporting requirements under the Loan Documents throughout the period of the forbearance. In addition:

- (a) The Loan Parties will attend weekly update calls, to be scheduled with the Lender, the Financial Advisor, and BDO Canada Limited and to be attended by representatives of CMD Holdings' senior management, without limitation including Shane Daerden and Mark Jones;
- (b) the Loan Parties will provide to the Financial Advisor and the Lender, on a weekly basis on every Tuesday: (i) an update in respect of accounts receivable, accounts payable, inventory and details of priority payables; (ii) the CF Updates; and (iii) weekly key performance indicator report, each in form and substance satisfactory to the Lender;
- (c) the Loan Parties will provide the Lender with monthly aged accounts receivable and aged account payable listings for all operating entities within 15 days of month end;
- (d) the Financial Advisor will review the Cash Flow and CF Updates, to ensure compliance therewith and should the Loan Parties require additional liquidity beyond the Forbearance Bulge, that shall be considered a "**Material Variance**", and a Termination Event hereunder; and,
- (e) the Loan Parties will provide to the Financial Advisor and the Lender, on a weekly basis on every Tuesday, account statements for all accounts held with Alberta Treasury Branch/ATB Financial ("**ATB**").

**4.10 Repayment of Indebtedness.** The Indebtedness must be repaid in full in accordance with the terms of this Agreement and, in any event, by not later than the Forbearance Date.

**4.11 Updated Personal Net Worth Statements.** Concurrently with this Agreement, Shane shall complete and provide to the Lender a sworn copy of a Form 13 Statutory Declaration, in the form attached hereto as **Schedule "D"**.

**4.12 No Unauthorized Overages.** The Loan Parties acknowledge and agree that no unauthorized overdrafts, shortfalls, excesses or out of margin amounts (together, "**Unauthorized Overages**") will be permitted from and after the date of this Agreement, including as with each repayment the Loan Parties' available credit will be permanently reduced.

**4.13 Access to Property.** The Loan Parties undertake and agree to provide the Lender, and its respective designated agents or employees with access to the Loan Parties' property and assets upon reasonable notice (not to exceed 24 hours), including without limitation for the purpose of showing to prospective purchasers, reviewing, reporting on, preserving and realizing upon the Loan Parties' business and property; and obtaining appraisals of all or any portion of the Loan Parties' property.

**4.14 Prohibition on Debt.** The Loan Parties shall not incur any short term debt (except in the ordinary course of business) or long term debt, except as approved in writing by the Lender or Financial Advisor.

- 4.15 Prohibition on Certain Accounts Payable.** The Loan Parties will not make any principal payments to any other lenders, except as may be provided in the Cash Flow.
- 4.16 Limitation on Payments to Shareholders and Affiliates.** The Loan Parties will not pay any wage or salary to shareholders, make any principal or interest payments on shareholder loans, pay any dividends or make any other distributions or payments to shareholders, nor make any transfers, payments or distributions of any kind to other Loan Parties, or any persons or entities affiliated with any of the Loan Parties (referred to as "**Related Party Payments**"), save except for the following payments:
- (a) 50% of current salary, as set out in the Cash Flow, to Shane, in amount not exceeding \$125,000 annually, on a go-forward basis;
  - (b) 75% of hourly rate, as set out in the Cash Flow, to Mark Jones, in an amount not exceeding an invoiced amount of \$3,365/weekly, on a go-forward basis.
- 4.17 No Sale of Other Property.** Each Loan Party acknowledges and agrees that:
- (a) no property which is the subject of the Security will be sold by the Loan Parties or any of them outside the ordinary course of business, except in accordance with this Agreement or with the express prior written consent of the Lender;
  - (b) should any property which is the subject of the Security, or any part thereof, be sold or conveyed, all proceeds of such sale will forthwith be paid to the Lender (whether subject to an applicable Direction to Pay, or not) to be applied by the Lender in its sole and unfettered discretion on account of the Indebtedness;
  - (c) none of the Loan Parties will grant any additional security or charges as against any of their respective assets or undertaking, including without limitation purchase money security interests or mortgages, without the express prior written consent of the Lender; and
  - (d) it will give the Lender prompt written notice of the happening of any event which could adversely affect or impair the ability of the Lender to collect the Indebtedness or affect or impair the ability of the Lender to realize on the Security, or which may result in a material adverse change to any Loan Party's operations and/or financial position.
- 4.18 No Writs, etc.** The Loan Parties shall ensure that no writs, executions, attachments, receivership proceedings, or proceedings under any bankruptcy, insolvency, reorganization, winding-up or similar legislation, is instituted against them or any of their respective property, except for those provided for in this Agreement.
- 4.19 Priority Payments.** In respect of priority payments, each Loan Party represents, warrants, covenants, and agrees that:
- (a) from and after the date of this Agreement it will remit, in accordance with legal requirements, (i) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any province that are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan, and income taxes; and (ii) amounts payable in respect of Workers' Compensation, employment insurance, Canada Pension Plan, and income taxes with respect to employees;

- (b) all remittances and payments described in subparagraph (a) are, as of the date hereof, current and in good standing or arrangements have been made and communicated to the Lender to bring such remittances and payments into good standing;
- (c) it shall provide to the Lender upon execution of this Agreement, and thereafter at any other time as required under this Agreement, or at the request of the Lender, a certificate or other evidence, in form and substance acceptable to the Lender, certifying that the remittances and payments described in subparagraph (a) are in good standing.

**4.20 Maintenance of Banking Services.** All funds received in the operation of the Loan Parties' business or otherwise, including but not limited to funds collected based on accounts receivable or through the sale of any assets, shall continue to be deposited into current accounts held with the Lender. Those accounts receivable which are normally deposited with ATB will continue to be deposited with ATB and moved to the current accounts with the Lender within 2 business days of deposit.

**4.21 Costs.** The Lender's costs and expenses (including legal fees on a solicitor and own client, full indemnity basis) in connection with the preparation and enforcement of this Agreement and the Loan Documents shall become part of the Indebtedness, and the Loan Parties agree and acknowledge that they are each liable to the Lender for those costs and that such liability is secured by the Security.

**4.22 Provision of Information.** The Loan Parties covenant and agree to provide the Lender, forthwith and in any case within 2 business days of request, with such other and further information that the Lender may reasonably request, including but not limited to, the financial information required to be provided under the Loan Documents and this Agreement.

## **ARTICLE 5 FORBEARANCE FEE**

**5.1 Forbearance Fee.** In consideration of this Agreement, the Loan Parties agree to pay to the Lender a forbearance fee in the amount of \$40,000 (the "**Forbearance Fee**") and the Forbearance Fee shall thereby become part of the Indebtedness, be subject to the Loan Documents, and be secured by the Security. The Forbearance Fee shall be deemed to have been earned by the Lender upon execution of this Agreement but shall only become due and payable upon the earlier of a Termination Event or the date of full repayment of the Indebtedness.

**5.2 Forbearance Fee Reduction.** In the event the Loan Parties repay the Indebtedness in full prior to the Forbearance Date, the Forbearance Fee shall be reduced, as follows:

- (a) if the Indebtedness is irrevocably repaid in full on or before December 31, 2023, the Forbearance Fee shall be reduced to \$20,000 (to be included and paid with the Indebtedness at time of full payment); and

For certainty, if at any time the Loan Parties default hereunder, the foregoing reduction of the Forbearance Fee shall be withdrawn and inapplicable, and the Indebtedness shall continue to be due and payable by the Loan Parties in full.

**ARTICLE 6**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Representations and Warranties of the Loan Parties.** The respective Loan Parties each hereby represent, warrant and agree that:

- (a) the Corporate Loan Parties are corporations that are validly, existing and in good standing under the laws of their governing jurisdiction, they are duly registered in all other jurisdictions where the nature of its property or character of their businesses require registration and have all necessary power and authority to own their properties and carry on their respective businesses as presently carried on or as contemplated by this Agreement;
- (b) the Loan Parties have full power, legal right and authority, and have taken all necessary action to be authorized, to enter into this Agreement and do all such acts and things as are required by this Agreement to be done, observed or performed in accordance with the terms hereof;
- (c) none of the authorizations, executions or deliveries of this Agreement is in conflict with or contravention of the Corporate Loan Parties' articles, by-laws, other organization documents or resolutions of the Loan Parties' directors, shareholders, partners or trustees or the provisions of any other indenture, instrument, undertaking or other agreement to which it is a party or their properties or assets are bound; and
- (d) other than the Existing Default, no Termination Events are occurring under the Loan Documents.

**6.2 Survival.** The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by or on behalf of the Lender, and the representations and warranties in connection with the Loan Documents shall survive until the Loan Documents have been terminated in accordance with their respective terms.

**ARTICLE 7**  
**TOLLING**

**7.1 Extension of Limitation Period.** Each Loan Party agrees that:

- (a) the Lender's rights shall not be affected in any way by the passage of any applicable limitation periods during the period beginning on the date of this Agreement and ending on the occurrence of a Termination Event (the "**Standstill Period**"), including, without limiting the generality of the foregoing, the limitation periods provided by the *Limitations Act*, RSA 2000 c L-12 (the "**Limitations Act (Alberta)**") and the limitation periods and periods governing delay provided under the *Alberta Rules of Court*, Alta Reg 124/2010 (all of the foregoing limitation periods being collectively the "**Limitation Period**");
- (b) for greater certainty, and in addition, in defence to any subsequent proceedings brought by the Lender against a Loan Party, the Loan Party shall not rely in any way, to the detriment of the Lender, on the passage of time during the Standstill Period, and the time that passes during the Standstill Period shall be deemed not to have passed in respect of the computation of any Limitation Period; and

- (c) the Lender and Loan Party agree that this Agreement is an agreement within the meaning of sections 7 and 9 of the *Limitations Act* (Alberta).

## **ARTICLE 8**

### **RETENTION OF AGENTS AND ADVISORS**

- 8.1 Retention of Agents and Advisors.** The Loan Parties acknowledge that the Lender may retain agents and advisors from time to time for the purpose of reviewing, reporting on, preserving and realizing upon the Loan Parties' business and property. The Loan Parties acknowledge that any agents retained by the Lender will be at the Loan Parties' expense, solely for the benefit of the Lender and will have no obligation to report or otherwise account to the Loan Parties or any of them.
- 8.2 Liability for Fees and Costs.** The Loan Parties acknowledge and agree that they will be liable for the payment of the fees, disbursements of any agents and advisors as may be engaged by the Lender from time to time, and that these fees shall be added to and form part of the Indebtedness and be secured by the Security.
- 8.3 Lender May Pay Advisory Costs and Debit Loan Parties' Accounts.** The Loan Parties agree that the Lender may pay the fees, disbursements, and costs, of such agents as the Lender may engage, and thereafter debit the Loan Parties' accounts maintained with the Lender in accordance with the cashflow, thereby increasing the Indebtedness owing by the Loan Parties to the Lender by the amount of such fees, disbursements, and costs, and all such amounts will be added to the aggregate Indebtedness owing by the Loan Parties to the Lender, and will be subject to the Loan Documents, secured by the Security.

## **ARTICLE 9**

### **MISCELLANEOUS**

- 9.1 Management of Lender's Financial Risk.** Each Loan Party hereby acknowledges and agrees that the implementation and performance of this Agreement is to facilitate the Lender's management of its financial risk. The parties hereto are working together to facilitate the Loan Parties' efforts to retire the Indebtedness of the Loan Parties to the Lender. The foregoing, including any exercises of the Lender's discretion hereunder, does not constitute any form of possession, management or control by the Lender in respect of the Loan Parties' business or operations.
- 9.2 Confidentiality.** The Loan Parties acknowledge and agree that the existence and terms of this Agreement constitute privileged and confidential information and the Loan Parties shall not by any means whatsoever disclose, transmit, release, publish or disseminate to any other person in any fashion directly or indirectly the existence or any of the terms of this Agreement, save and except:
- (a) as expressly permitted in this Agreement;
  - (b) as required by law;
  - (c) as may be reasonably required for accounting and income tax purposes;
  - (d) as may reasonably be required to manage creditors; or
  - (e) with the prior written consent of the Lender.



- 9.3 Communication by the Lender.** Each Loan Party hereby waives its rights to confidentiality in respect of all communications the Lender has in favour of, and hereby authorizes the Lender, and any of the Lender's advisors and agents, to communicate with any shareholders, guarantors, creditors or suppliers of any Loan Parties, any parties interested in providing financing to any Loan Party, any parties interested in purchasing assets of any Loan Party, any parties interested in purchasing the Lender's security and position, and any professionals retained by any of the foregoing (collectively, "**Interested Parties**") and each Loan Party shall provide such waivers and consents as may be required to ensure that the Interested Parties can fully and frankly discuss with the Lender all matters related to the Loan Parties and the Indebtedness.
- 9.4 Entire Agreement.** This Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and may not be amended or modified except by written consent executed by all parties.
- 9.5 Rights Cumulative.** The Parties agree that all the rights and remedies of the Lender hereunder and under any agreement delivered pursuant hereto are cumulative and are in addition to, without prejudice to and shall not be deemed to exclude, any other right or remedy allowed to the Lender hereunder or any agreement delivered pursuant hereto or under the Loan Documents, except as specifically set out herein.
- 9.6 Rights Concurrent.** The Parties agree that all rights and remedies of the Lender may be exercised concurrently.
- 9.7 Lender's Records.** The Loan Parties acknowledge that the Lender maintains accounts and records evidencing the borrowings of the Loan Parties, including all principal, interest, fees, costs and other amounts due and becoming due by the Loan Parties to the Lender, and agrees the Lender's records do and shall constitute, in the absence of manifest error, conclusive proof of the Indebtedness of the Loan Parties to the Lender at any given time.
- 9.8 Legal Advice.** Each Loan Party acknowledges and represents that it has carefully read this Agreement, it knows and understands its contents, it has received all information and advice it requires, including independent legal advice, relating to the Loan Documents, this Agreement, and the credit arrangements between the Loan Parties and the Lender generally, or expressly hereby waives the right to same, and in this regard: (a) acknowledges and consents to this Agreement; (b) voluntarily accepts the terms and conditions herein and (c) agrees to be bound by the provisions of this Agreement.
- 9.9 Acknowledgement of Guarantors.** The Guarantors hereby acknowledge and affirm:
- (a) all obligations under the Guarantees continue without restriction, adjustment or limitation and the Guarantees remains in full force and effect as continuing security for the Loan Party's present and future indebtedness, liabilities and obligations to the Lender including, *inter alia*, those obligations set out in the Loan Documents and Security; and
  - (b) that nothing contained in this Forbearance Agreement shall affect, limit, prejudice or impair the rights of the Lender as against a Guarantors under the Guarantees and Loan Documents, nor shall create any merger of the rights of the Lender in respect of the Guarantees, any agreements, security or collateral in relation to the Loan Documents, or any other loans of the Lender to or with the Loan Parties or parties affiliated with the Loan Parties or either of them.

**9.10 Confirmation.** Each Loan Party acknowledges receiving valuable consideration (the adequacy and sufficiency of which is specifically acknowledged) for its obligations hereunder and agrees that none of:

- (a) the terms of this Agreement;
- (b) nor any failure by the Lender to insist upon strict performance or observance of its rights set forth in this Agreement or the Loan Documents;
- (c) nor any waiver or amendment by the Lender of any such rights;

shall prejudice the Lender's rights under any or all of the Loan Documents or this Agreement, nor shall sustain or constitute any defence or estoppel in favour of the Loan Parties in respect of enforcement the Loan Documents.

**9.11 Time of the Essence.** Time shall be of the essence in this Agreement.

**9.12 Notices.** Any notices under this Agreement may be delivered by courier or email transmission to the Parties at the addresses set forth below and, where so given, shall be deemed received by the recipient on the same business day as delivered or transmitted if delivered or transmitted prior to 3:00 p.m. (Calgary time), otherwise on the next business day:

if to the Lender:

The Toronto-Dominion Bank  
Financial Restructuring Group  
421-7<sup>th</sup> Avenue SW, 10<sup>th</sup> Floor  
Calgary, AB T2P4K9

Attention: Brandon Novak / Taunja Byers  
E-mail: [brandon.novak@td.com](mailto:brandon.novak@td.com) / [taunja.byers@td.com](mailto:taunja.byers@td.com)

with a copy to:

Dentons Canada LLP  
15 Flr-850 2 Street SW  
Calgary, AB T2P 0R8  
Attention: Afshan Naveed  
Email: [afshan.naveed@dentons.com](mailto:afshan.naveed@dentons.com)

if to the Loan Parties:

Shane Daerden  
371 Niagara St  
Winnipeg, MB R3N 0V3  
Attention: Shane Daerden  
E-mail: [shane@collisionkings.ca](mailto:shane@collisionkings.ca)

with a copy to:

MLT Aikins LLP  
3000-360 Main Street  
Winnipeg, MB R3P 1S2

Attention: J.J. Burnell  
Email: jburnell@mftaikins.com

The foregoing address provided by the Loan Parties further constitutes an address for service of any documents or proceedings pursuant to the *Alberta Rules of Court*, Alta Reg 124/2010, and the Loan Parties agree such documents or proceedings may be served on them via email.

- 9.13 Applicable Law.** This Agreement shall be governed by the laws of the Province of Alberta and the Parties hereby attorn to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta located in the judicial district of Calgary.
- 9.14 No Amendment.** Save as expressly provided in this Agreement, nothing in this Agreement is intended to alter, amend, modify or limit the existence or the effectiveness of any agreement between the Loan Parties and the Lender, including, without limitation, the Loan Documents.
- 9.15 Interpretation and Headings.** In this Agreement:
- (a) headings are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
  - (b) words importing the singular number include the plural and vice versa, and words importing gender include masculine, feminine and neuter;
  - (c) references to "herein", "hereunder", and similar expressions shall be a reference to this Agreement and not to any particular section;
  - (d) reference to a statute shall be deemed to refer to such statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding such statute or the regulations made pursuant thereto; and
  - (e) unless otherwise noted, all references to "Article" refer to an article, sub-article, paragraph or sub-paragraph of this Agreement, as the case may be.
- 9.16 Conflict.** In the event that there is any conflict between the provisions of this Agreement and the Loan Documents, the provisions of this Agreement shall govern to the extent of the conflict.
- 9.17 Currency and Time References.**
- (a) Unless otherwise noted, all references to currency shall be deemed to refer to Canadian Dollars.
  - (b) Unless otherwise noted, all references to time shall be deemed to refer to Calgary, Alberta local time.
- 9.18 Severability.** If any provision of any of this Agreement, Loan Documents or any part thereof is found or determined to be invalid, illegal or unenforceable, such provision shall be severable and the remainder of this Agreement and the Loan Documents, as the case may be, shall be construed as if such invalid, illegal or unenforceable provision or part had been deleted therefrom.

- 9.19 No Waiver.** No provision of this Agreement shall be deemed waived by any course of conduct unless such waiver is in writing and signed by all parties, specifically stating that it is intended to modify this Agreement.
- 9.20 No Prior Waivers, Reinstatement or Release by Lender.** Except as expressly set forth herein, the execution, delivery and effectiveness of this Agreement shall not directly or indirectly, (i) create any obligation to make any further extensions of credit or to continue to defer any enforcement action after the occurrence of any Termination Event; (ii) constitute a consent or waiver of any past, present or future violations of any provisions of the Facility Documents or the Security, as the case may be; (iii) amend, modify or operate as a waiver of any provision of the Loan Documents, as the case may be, or any right, power or remedy of the Lender; (iv) constitute a consent to any merger or other transaction or to any sale, restructuring or refinancing transaction; (v) constitute a course of dealing or other basis for altering the Loan Documents or any other contract or instrument. Except as expressly set forth herein, the Lender reserves all of its rights, powers and remedies under the Loan Documents and applicable law. All of the provisions of the Loan Documents, including without limitation, the time of the essence provisions, are hereby reiterated, and if ever waived, are hereby reinstated. This Agreement shall not be deemed or construed to be a satisfaction, restatement, novation or release of the Loan Documents, as the case may be.
- 9.21 Perfection of Security.** All security interests in favour of Lender shall be registered or perfected in all such jurisdictions and against all such trade names as may be required, in the reasonable opinion of the Lender or its counsel, to preserve and protect the enforceability and priority of the Credit Agreement, Guarantee and the Security. The Loan Parties waive the right to receive any financing statements registered by the Lender.
- 9.22 Non-Performance of Covenants.** If any Loan Party fails to perform any of its covenants or agreements hereunder, the Lender may itself, but shall not be obliged to, perform or cause to be performed the same and all reasonable expenses incurred or payments made by the Lender in so doing shall be paid by the Loan Party to the Lender forthwith upon demand. Any such expenses or payments remaining unpaid after demand shall bear interest at the rates agreed to pursuant to the Loan Documents, or this Agreement, as the case may be, from the date such expense or payment was incurred or made by the Lender until paid and shall be added to the Indebtedness and secured by the Security.
- 9.23 Successors and Assigns.** This Agreement and Loan Documents shall be binding and enure to the benefit of each of the Parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 9.24 Assignment.** The Loan Parties shall not assign any of their rights or obligations hereunder or thereunder, as the case may be, without the prior written consent of the Lender (which consent may be arbitrarily withheld). The Lender may, in its absolute discretion, assign, without notice to the Loan Parties and without the consent of the Loan Parties, to an assignee of its own choosing all or any interest of the Lender in all or any of the Loan Documents and this Agreement, and any document, security, Judgment or Court Order granted or arising pursuant to this Agreement.
- 9.25 Assurances.** The Parties hereby covenant and agree to do such further and other things that the other party may reasonably request to give full or better effect to the provisions of this Agreement.

**9.26 Counterparts.** This Agreement may be executed in counterparts and delivered electronically. Each counterpart will be binding as against each signatory or signatories as reflected, regardless of when signatures of all parties are ultimately obtained and collated. Each executed counterpart shall constitute a binding Agreement and all executed counterparts, when taken together, shall constitute one Agreement.

**9.27 Electronic Signatures and Electronic Delivery.** The Parties agree that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this Agreement by facsimile or electronic transmission constitutes valid and effective delivery.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed these presents effective the date first above written.

**The Toronto-Dominion Bank**

Per: UBYES  
Name: Tanjib Bures  
Title: Manager Commercial Credit

I have authority to bind the corporation.

Per: [Signature]  
Name: Brandon Kwak  
Title: Account Manager

I have authority to bind the corporation.

**East Lake Collision Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**Sunridge Collision Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**CMD Holdings Inc.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I have authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have executed these presents effective the date first above written.

**The Toronto-Dominion Bank**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**CMD Holdings Inc.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**East Lake Collision Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**Sunridge Collision Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

Per: SLD  
Name: SHANE DAERDEN  
Title: PRESIDENT

I have authority to bind the corporation.

**Stathko Investments Ltd.**

Per: 

Name:

Title:

I have authority to bind the corporation.

**Royal Vista Collision Ltd.**

Per: 

Name:

Title:

I have authority to bind the corporation.

**CMD Glass Ltd.**

Per: 

Name:

Title:

I have authority to bind the corporation.

**Shane Daerden**

By 

Witness: 

Name: *Colin Findlay*



**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

1. I am an officer or director of CMD Glass Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
2. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
3. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of \_\_\_\_\_ )  
Winnipeg, in the Province of Manitoba )  
this 22<sup>nd</sup> day of December, 2023. )

\_\_\_\_\_  
A Commissioner for Oaths in and for the )  
Province of ~~Alberta~~ Manitoba )

\_\_\_\_\_  
SLD

(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

4. I am an officer or director of Royal Vista Collision Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
5. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
6. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of Winnipeg, in the Province of Manitoba  
this 22<sup>nd</sup> day of December, 2023.

  
\_\_\_\_\_ )

A Commissioner for Oaths in and for the Province of ~~Alberta~~ Manitoba )

  
\_\_\_\_\_ )

(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

7. I am an officer or director of Stathko Investments Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
8. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
9. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of \_\_\_\_\_ )  
Winnipeg, in the Province of Manitoba )  
this 22<sup>nd</sup> day of December, 2023. )

 )

\_\_\_\_\_  
A Commissioner for Oaths in and for the )  
Province of ~~Alberta~~ Manitoba )

 \_\_\_\_\_


(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

10. I am an officer or director of Arrow Auto Body Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
11. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
12. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of  
Winnipeg, in the Province of Manitoba  
this 22 day of December, 2023.

  
A Commissioner for Oaths in and for the  
Province of ~~Alberta~~ Manitoba




(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 13. I am an officer or director of Collision Kings 3 Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 14. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 15. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of Winnipeg, in the Province of Manitoba this 22 day of December, 2023.

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta Manitoba

  
\_\_\_\_\_


(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 16. I am an officer or director of 2199931 Alberta Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 17. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 18. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of Winnipeg, in the Province of Manitoba,  
this 22 day of December, 2023.

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of ~~Alberta~~ Manitoba

  
\_\_\_\_\_

(Print Name):


SHANE DAERDEN


**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 19. I am an officer or director of Sunridge Collision Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 20. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 21. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of Winnipeg, in the Province of Manitoba this 22 day of December, 2023.

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta Manitoba


  
\_\_\_\_\_  
(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 22. I am an officer or director of Mayland Heights Collision Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 23. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 24. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of \_\_\_\_\_ )  
Winnipeg, in the Province of Manitoba )  
this 22 day of December, 2023. )

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the )  
Province of ~~Alberta~~ Manitoba )

  
\_\_\_\_\_

(Print Name):

SHANE DAERDEN




**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 25. I am an officer or director of East Lake Collision Ltd. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 26. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 27. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of \_\_\_\_\_ )  
Winnipeg, in the Province of Manitoba )  
this 29 day of December, 2023. )

  
\_\_\_\_\_  
A Commissioner for Oaths in and for the )  
Province of ~~Alberta~~ Manitoba )

  
\_\_\_\_\_  
(Print Name):  
SHANE DAERDEN

**AFFIDAVIT VERIFYING  
CORPORATE SIGNING AUTHORITY**

I, Shane Daerden, of the City of Winnipeg, in the Province of Manitoba, MAKE OATH AND SAY THAT:

- 28. I am an officer or director of CMD Holdings Inc. (the "**Company**"), the corporation named in the within (or annexed) Forbearance Agreement.
- 29. I am authorized by the Company to execute the within or annexed Forbearance Agreement on behalf of the Company, with or without affixing a corporate seal.
- 30. The within or annexed Forbearance Agreement was executed as the City of Winnipeg, in the Province of Manitoba.

SWORN BEFORE ME at the City of Winnipeg, in the Province of Manitoba this 22 day of December, 2023.



A Commissioner for Oaths in and for the Province of ~~Alberta~~ Manitoba



(Print Name):


SHANE DAERDEN


**AFFIDAVIT OF EXECUTION**

CANADA ) I, Colin Findlay  
 ) of the City of Winnipeg  
PROVINCE OF ALBERTA ) in the Province of ~~Alberta~~, Manitoba  
 ) MAKE OATH AND SAY:  
TO WIT: )  
 )

1. I was personally present and did see Shane Daerden, who on the basis of identification provided to me I believe to be the person named therein, duly sign and execute the following documentation as appended to this Affidavit of Execution:
  - Forbearance Agreement;
  - Consent Receivership Order;
  - Consent Judgment.
2. That the foregoing was/were executed at the City of Winnipeg, in the Province of Manitoba, and that I am the subscribing witness thereto.
3. That I believe the person whose signature I witnessed is at least the full age of eighteen (18) years.

Sworn before me at Winnipeg,  
in the Province of Manitoba, this  
22<sup>nd</sup> day of December, 2023.

  
\_\_\_\_\_  
A Commissioner for Oaths in and for ~~Alberta~~  
Manitoba

)  
)  
)  
)  
)  
)  
)  
  
\_\_\_\_\_  
Colin Findlay  
(print name of witness)

**SCHEDULE "A" CONSENT RECEIVERSHIP ORDER**

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

THE TORONTO-DOMINION BANK

DEFENDANTS

CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD., 2199931 ALBERTA LTD., COLLISION KINGS 3 LTD., ARROW AUTO BODY LTD., CMD GLASS LTD., ROYAL VISTA COLLISION LTD., STATHKO INVESTMENTS LTD., and SHANE DAERDEN

DOCUMENT

**CONSENT RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Dentons Canada LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
Attn: Afshan Naveed  
Ph. (403) 268-7015 Fx. (403) 268-3100  
File No.: 127469-1721

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED:  
NAME OF APPLICATIONS JUDGE/JUSTICE WHO MADE THIS ORDER:

Calgary Courts Centre, Calgary, Alberta

**UPON** the application of The Toronto-Dominion Bank ("TD") in respect of CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., and Collision Kings 3 Ltd. (collectively, the "**Debtor**"); **AND UPON** having read the Application, the Affidavit of \_\_\_\_\_ filed; and the Affidavit of Service of \_\_\_\_\_, filed; **AND UPON** reading the consent of \_\_\_\_\_ to act as receiver and manager ("**Receiver**") of the Debtor, to be filed; **AND UPON** hearing counsel for TD, and noting the consent as to form and content of the Debtor;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the notice of application for this order is hereby abridged and service thereof is deemed good and sufficient.

## APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") and section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, \_\_\_\_\_ is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property").

## RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
  - b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
  - d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
  - e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
  - f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
  - g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
  - h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
  - i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;

- j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - i. without the approval of this Court in respect of any transaction not exceeding \$ \_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$ \_\_\_\_\_; and
  - ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- r) to assign the Debtor into bankruptcy;
- s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver



may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

#### **NO EXERCISE OF RIGHTS OF REMEDIES**

9. All rights and remedies of any Person, whether judicial or extra judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or, the Receiver, or affecting the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with the written consent of the Receiver or leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:
  - a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
  - b) prevent the filing of any registration to preserve or perfect a security interest;
  - c) prevent the registration of a claim for lien; or
  - d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against TD where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

#### **CONTINUATION OF SERVICES**

12. All persons having:
  - a) statutory or regulatory mandates for the supply of goods and/or services; or
  - b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Receiver or exercising any other remedy provided under such agreements or arrangements. The Receiver shall be entitled to the continued use of the Debtor's current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

#### **EMPLOYEES**

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-

related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- i. before the Receiver's appointment; or
  - ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause ii below, the Receiver:
    - A. complies with the order, or
    - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;

- ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
  - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
  - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

- 17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

#### **RECEIVER'S ACCOUNTS**

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$\_\_\_\_\_, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
- 19. The Receiver and its legal counsel shall pass their accounts from time to time.
- 20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

- 21. The Receiver is at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$\_\_\_\_\_ (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose

of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

#### **ALLOCATION**

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

#### **GENERAL**

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.

31. The Receiver is at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

#### **FILING**

34. The Receiver shall establish and maintain a website in respect of these proceedings and shall post there as soon as practicable:
  - a) all materials prescribed by statute or regulation to be made publicly available; and
  - b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
  - a) serving the same on:
    - a) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
    - b) any other person served with notice of the application for this Order;
    - c) any other parties attending or represented at the application for this Order; and
  - b) posting a copy of this Order on the Receiver's Websiteand service on any other person is hereby dispensed with.

36. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
37. This Order may be consented to in counterpart by facsimile or electronic transmission.

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Justice of the Court of King's Bench of Alberta

**THIS ORDER IS CONSENTED TO BY MLT  
AIKINS LLP, THIS 22<sup>nd</sup> DAY OF DECEMBER,  
2023**

Per:

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J.J. Burnell, counsel for CMD Holdings  
Inc., East Lake Collision Ltd., Mayland  
Heights Collision Ltd., Sunridge Collision  
Ltd., 2199931 Alberta Ltd., and Collision  
Kings 3 Ltd.

**Shane Daerden**


By



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Witness:

Name:



---

*Colin Finellay*

36. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
37. This Order may be consented to in counterpart by facsimile or electronic transmission.

---

Justice of the Court of King's Bench of Alberta

**THIS ORDER IS CONSENTED TO BY MLT  
AIKINS LLP, THIS 22<sup>nd</sup> DAY OF DECEMBER,  
2023**

Per: JJ Burnell

J.J. Burnell, counsel for CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., and Collision Kings 3 Ltd.

**Shane Daerden**

By

Shane Daerden

Witness:

Colin Finellay

Name: Colin Finellay



**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \_\_\_\_\_

1. THIS IS TO CERTIFY that \_\_\_\_\_ receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., and Collision Kings 3 Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the \_\_\_\_ day of \_\_\_\_\_ (the "**Order**") made in action number \_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the \_\_\_\_ day of each month**] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at ●.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_,  
solely in its capacity as Receiver of the Property  
(as defined in the Order), and not in its personal  
capacity

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "B" CONSENT JUDGMENT**

Clerk's stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

THE TORONTO-DOMINION BANK

DEFENDANTS

CMD HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE  
COLLISION LTD., 2199931 ALBERTA LTD., COLLISION  
KINGS 3 LTD., ARROW AUTO BODY LTD., CMD  
GLASS LTD., ROYAL VISTA COLLISION LTD.,  
STATHKO INVESTMENTS LTD., and SHANE  
DAERDEN

DOCUMENT

**CONSENT JUDGMENT**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
DOCUMENT

Dentons Canada LLP  
Bankers Court  
15<sup>th</sup> Floor, 850 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8  
Attn: Afshan Naveed  
Ph. (403) 268- 7015 Fx. (403) 268-3100  
File No.: 127469-1721

DATE ON WHICH ORDER WAS PRONOUNCED: \_\_\_\_\_

LOCATION WHERE ORDER WAS  
PRONOUNCED:

Calgary Courts Centre, Calgary, Alberta

NAME OF APPLICATIONS JUDGE/JUSTICE  
WHO MADE THIS ORDER:

\_\_\_\_\_

**ORDER**

**UPON** the application of counsel for the Plaintiff, The Toronto-Dominion Bank (the "**Plaintiff**") **AND UPON** noting the consent of the Defendants, CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., and Shane Daerden (the "**Defendants**"), endorsed hereon;

IT IS HEREBY ORDERED THAT:

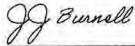
1. Judgment is hereby granted in favour of Plaintiff in the sum of \$ \_\_\_\_\_, as against the Defendants, jointly and severally.

2. The Plaintiff is awarded its costs, on a solicitor and its own client full indemnity basis, in an amount to be assessed without the necessity of appointment.
3. Interest is awarded post-judgment in accordance with the provisions of the *Judgment Interest Act*, RSA 2000 c. J-1, as amended.
4. This Order may be consented to in counterpart by facsimile or electronic transmission.

\_\_\_\_\_  
Applications Judge of the Court of King's Bench of Alberta

**THIS ORDER IS CONSENTED TO BY MLT  
AIKINS LLP, THIS 22<sup>nd</sup> DAY OF DECEMBER,  
2023**


Per:



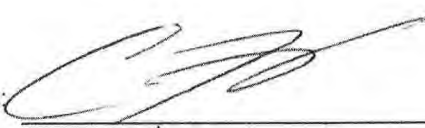
\_\_\_\_\_  
J.J. Burnell, counsel for CMD Holdings  
Inc., East Lake Collision Ltd., Mayland  
Heights Collision Ltd., Sunridge Collision  
Ltd., 2199931 Alberta Ltd., and Collision  
Kings 3 Ltd.

**Shane Daerden**

By



Witness:

  
\_\_\_\_\_  
Name: *Colin Findlay*

2. The Plaintiff is awarded its costs, on a solicitor and its own client full indemnity basis, in an amount to be assessed without the necessity of appointment.
3. Interest is awarded post-judgment in accordance with the provisions of the *Judgment Interest Act*, RSA 2000 c. J-1, as amended.
4. This Order may be consented to in counterpart by facsimile or electronic transmission.

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Applications Judge of the Court of King's Bench of Alberta

**THIS ORDER IS CONSENTED TO BY MLT  
AIKINS LLP, THIS 22<sup>nd</sup> DAY OF DECEMBER,  
2023**

Per:

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J.J. Burnell, counsel for CMD Holdings  
Inc., East Lake Collision Ltd., Mayland  
Heights Collision Ltd., Sunridge Collision  
Ltd., 2199931 Alberta Ltd., and Collision  
Kings 3 Ltd.

**Shane Daerden**

By



Witness:



Name:

*Colin Finlay*

**SCHEDULE "C" FINANCIAL ADVISOR ENGAGEMENT LETTER**



**FTI Consulting Canada**

Suite 1610  
520 Fifth Avenue S.W.  
Calgary, AB T2P 3R7

T: 403.454.6031  
F: 403.232.6116

fticonsulting.com

November 14, 2023

Manager – Commercial Credit  
The Toronto-Dominion Bank  
Financial Restructuring Group  
421-7<sup>th</sup> Avenue SW, 10<sup>th</sup> Floor  
Calgary, AB T2P 4K9

**Re: CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd. (collectively, the “Company”)**

Dear Sirs /Mesdames:

**1. Introduction**

This letter confirms that we, FTI Consulting Canada Inc. (“FTI”), have been retained by you. The Toronto-Dominion Bank in your capacity as lender (the “Lender”) under certain agreements with the Company (such agreements, as amended and in effect from time to time, together with related agreements and instruments, the “Credit Agreements”) to provide certain financial advisory and consulting services (the “Services”). The Services will be provided solely for you and not for the Company, any of its principals or any holder of other debt or equity of the Company or any other party. This letter of engagement and the attached Standard Terms and Conditions constitute the engagement contract (the “Engagement Contract”) pursuant to which the Services will be provided.

**2. Scope of Our Services**

The Services, to be performed at your direction, may include the following:

Phase 1: draft a report on:

- the Company’s near term liquidity needs;
- the Company’s current finances and operations;
- valuation of the Companies;
- observations with respect to each of the Company’s physical operating locations (other than the Winnipeg locations);
- providing strategic, financial and restructuring analysis and advice in respect of the Company.

Phase 2:





- Services at your discretions and may include:
  - monitoring the Company and its financial/operational affairs;
  - assisting in implementation of restructuring options
  - assisting in the preparation of documents and analysis relating to the potential restructuring of the Company; and
  - such other services as we may mutually agree.

The Services may be performed by FTI or by any affiliate of FTI, as FTI shall determine. References herein to FTI or its employees shall be deemed to apply also, unless the context shall otherwise indicate, to FTI's affiliates and their employees.

The Services, as outlined above, are subject to change as mutually agreed between us.

In order for us to provide the Services, it will be necessary for our personnel to have access to certain books, records and reports of the Company and to have discussions with its personnel. We understand that you will undertake to provide the necessary access to the Company's management and other personnel and to its books, records, reports and other information and that the Company has agreed to cooperate with us and to make available its personnel and such books, records, reports and other information.

We will perform the Services in a manner which we believe will permit the business operations of the Company to continue in an orderly manner, subject to the requirements of the Engagement. However, our personnel will likely need to be on site to review data located at the offices of the Company and to discuss matters with its personnel.

You hereby acknowledge that in the event that FTI is appointed in relation to the Company as an officer of the Court pursuant to any insolvency, restructuring or similar statute, our primary responsibility will be to the Court and we will have duties to all stakeholders.

### 3. Fees

Subject to any unforeseeable or uncontrollable delays in the review, the fees for the Phase 1 of the Engagement will be capped at \$110,000 plus direct out of pocket expenses.

Fees in connection to any additional scope after Phase 1 will be based upon the time incurred providing the Services, multiplied by our standard hourly rates applicable in Canada, summarized as follows:

	<u>Per Hour CAD\$</u>
Senior Managing Directors	850 – 945
Directors / Managing Directors	550 – 750
Consultants/Senior Consultants	330 – 540
Administrative / Paraprofessionals	115 – 120

Hourly rates are generally revised annually. To the extent this engagement requires services of our international divisions or personnel, the time will be multiplied by their standard hourly rates applicable on international engagements. We do not provide any assurance regarding the outcome of our work



and our fees will not be contingent on the results of such work. Our fees will be for the account of the Company, guaranteed by the Agent, and are payable on presentation of invoice.

In addition to the fees outlined above, FTI will bill for reasonable allocated and direct expenses which are likely to be incurred on your behalf during this Engagement. Allocated expenses include the cost of items which are not billed directly to the engagement, including administrative support and other overhead expenses that are not billed through as direct reimbursable expenses, and are calculated at 3% of FTI's standard professional rates. Direct expenses include reasonable and customary out-of-pocket expenses which are billed directly to the engagement such as certain telephone, overnight mail, messenger, travel, meals, accommodations and other expenses specifically related to this engagement. Invoices will also include all applicable taxes.

Unless directed by you to the contrary, we will submit to the Company, on a monthly basis (or at such other frequency as we may determine as appropriate in our sole discretion), invoices payable upon receipt, for our fees and expenses incurred in connection with the Engagement, with copies provided to you. It is our understanding that all invoices will be paid by the Company. However, you agree that the payment of our invoices will ultimately be your responsibility in the event that the Company fails or refuses to pay such invoices (or if any payments are made but are subsequently avoided or disgorged). We agree to repay you to the extent the Company subsequently remits payments to us.

FTI reserves the right to immediately stop work should you fail to pay our outstanding fees and expenses within a reasonable period of time of being notified of the Company's failure to pay.

In addition, if FTI and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this matter, FTI will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto.

#### **4. Terms and Conditions**

The attached terms and conditions set forth the duties of each party with respect to the Services. Further, this letter and the Standard Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and supersede all previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether oral or written, regarding the Services.

#### **5. Conflicts of Interest**

Based on the list of interested parties (the "Potentially Interested Parties") provided by you, we have undertaken a limited review of our records to determine FTI's professional relationships with the Company and the Potentially Interested Parties. From the results of such review, we were not made aware of any conflicts of interest or relationships that we believe would preclude us from performing the Services.



As you know, however, FTI and its affiliates constitute a large consulting firm with numerous offices throughout the world and are regularly engaged by new clients, which may include one or more of the Potentially Interested Parties.


#### 6. Acknowledgement and Acceptance

Please acknowledge your acceptance of the terms of the Engagement Contract by signing both the confirmation below and the attached Standard Terms and Conditions and returning a copy of each to us at the above address.

If you have any questions regarding this letter or the attached Standard Terms and Conditions, please do not hesitate to contact Dustin Olver at 403-519-3485.

Yours faithfully,

FTI CONSULTING CANADA INC

By:   
Dustin Olver  
Senior Managing Director

#### Confirmation of Terms of Engagement

**We agree to engage FTI Consulting Canada Inc. upon the terms set forth herein and in the attached Standard Terms and Conditions.**

The Toronto- Dominion Bank

By:   
Taunja Byers  
Manager Commercial Credit

Date: November 15 2023



Acknowledgement and Agreement of Company

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, each of the undersigned hereby acknowledges, consents and agrees to the terms of this letter and the engagement of FTI under the terms and conditions above and shall provide its full co-operation. It is understood and agreed that notwithstanding this engagement, the remedies available to the Lender under the terms of the Credit Agreements, including the security and guarantees held by the Lender, remain in full force and effect. None of the existing defaults of the Company are waived and all rights and remedies of the Lender are reserved and preserved. In particular, the undersigned acknowledges and agrees that notwithstanding the engagement of FTI hereunder, It is specifically acknowledged that the engagement of FTI hereunder is not an act of enforcement of security by the Lender and that the Company remains solely responsible for the management and operations of its business during the course of is engagement.

For the same consideration, it is also understood and agreed that, subject to any applicable legal requirements, the Lender may, if considered necessary or appropriate, appoint FTI as its Receiver, Receiver and Manager, or agent for the purpose of realizing upon its security and that FTI may, if necessary or desirable, accept any appointment contemplated by the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation and that in the course of any such engagement, FTI may use the information acquired by it in the course of this engagement. Nothing herein shall constitute or be deemed to constitute consent by the Company to any such proceeding; however, the Company agrees that it shall not object to any such appointment of FTI on the basis of this engagement.

For the same consideration, the undersigned hereby indemnifies FTI from any loss, costs, damages or expenses FTI may suffer by reason of any actions, lawsuits or legal proceedings taken or brought against it at any time with respect to the engagement or any act FTI has committed or undertaken, or shall commit or undertake, provided that such act was or is committed or undertaken within the scope of this engagement, excepting only those acts caused by or resulting from FTI's intentional misconduct or gross negligence.

**Collision Kings 3 Ltd.**

Per: SHANE DAERDEN

Name: SHANE DAERDEN

Title: PRESIDENT

I have authority to bind the corporation.

**CMD Holdings Inc.**

Per: SHANE DAERDEN

Name: SHANE DAERDEN

Title: PRESIDENT

I have authority to bind the corporation.

**East Lake Collision Ltd.**

Per: SHANE DAERDEN

Name: SHANE DAERDEN

Title: PRESIDENT

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

Per: SHANE DAERDEN

Name: SHANE DAERDEN

Title: PRESIDENT

I have authority to bind the corporation.



Sunridge Collision Ltd.

Per: Shane Dargow  
Name: SHANE DARGOW  
Title: PRESIDENT

I have authority to bind the corporation.

2199931 Alberta Ltd.

Per: Shane Dargow  
Name: SHANE DARGOW  
Title: PRESIDENT

I have authority to bind the corporation.

**FTI CONSULTING CANADA INC**  
**STANDARD TERMS AND CONDITIONS**

The following are the Standard Terms and Conditions on which we will provide the Services to you set forth within the attached letter of Engagement. The Engagement letter and the Standard Terms and Conditions (collectively the "Engagement Contract") form the entire agreement between us relating to the Services and replace and supersede any previous proposals, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract.

**1. Reports and Advice**

- 1.1 **Use and purpose of advice and reports** – Any advice given or report issued by us is provided solely for the use and benefit of you and only in connection with the purpose in respect of which the Services are provided. Unless required by law, or as otherwise provided in Clause 4.3 of the Standard Terms and Conditions, you shall provide any advice given or report issued by us to any third party or refer to us or the Services without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

**2. Information and Assistance**

- 2.1 **No assurance on financial data** – While our work may include an analysis of financial and accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Company management will be responsible for any and all financial information they provide us during the course of the Engagement, and we will not examine or compile or verify any such financial information. Moreover, the circumstances of the Engagement may cause our advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. Accordingly, as part of the Engagement, we will not express any opinion or other form of assurance on financial statements of the Company.
- 2.2 **Prospective financial information** – In the event the Services involve prospective financial information, our work will not constitute an examination or compilation, or apply agreed-upon procedures, in accordance with standards established by the Canadian Institute of Chartered Accountants, the American Institute of Certified Public Accountants, or otherwise, and we will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of results or events projected or anticipated by the management of the Company.

**3. Additional Services**

- 3.1 **Responsibility for other parties** – We shall have no responsibility for the work and fees of any other party engaged by you to provide services in connection with the Engagement regardless of whether such party was introduced to you by us. Except as provided in this Engagement Contract, we shall not be responsible for providing or reviewing the advice or services of any such third party, including advice as to legal, regulatory, accounting or taxation matters.

#### 4. Confidentiality

- 4.1 **Restrictions on confidential information** – Both parties (you on the one hand and FTI on the other hand) agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, neither party to this Engagement Contract will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:
- 4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this Clause 4.1;
  - 4.1.2 is acquired from a third party who, to the recipient party's knowledge, owes no obligation of confidence in respect of the information; or
  - 4.1.3 is or has been independently developed by the recipient.

For greater certainty, nothing in this section 4.1 is intended to nor shall it create rights in favour of the company or any other party regarding any confidential information of the company or otherwise against you, FTI or any other party.

- 4.2 **Disclosing confidential information** – Notwithstanding Clause 4.1 above, either party to this Engagement Contract will be entitled to disclose confidential information of the other to a third party to the extent that this is required by valid legal process, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than 2 business days' notice in writing is first given to the other party.
- 4.3 **Disclosing confidential information to legal advisors** – Notwithstanding Clause 1.1 or 4.1 above, any party to this Engagement Contract will be entitled to disclose FTI's advice and written reports to its respective legal advisors, so long as such persons are restricted from further distributing such information without the prior written consent of the parties to this Engagement Contract. Further, upon execution of a non-reliance agreement satisfactory to FTI, prospective assignees may be provided written reports produced by FTI under this Engagement Contract.
- 4.4 **Internal quality reviews** – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI entity or use it for internal quality reviews.
- 4.5 **Citation of engagement** – Without prejudice to Clause 4.1 and Clause 4.2 above, to the extent our engagement is or becomes known to the public, we may cite the performance of the Services to our clients and prospective clients as an indication of our experience, unless we and you specifically agree otherwise in writing.
- 4.6 **Maintenance of workpapers** – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our professional standards and internal policies.

#### 5. Termination

- 5.1 **Termination of Engagement with notice** – Either party to this Engagement Contract may terminate the Engagement Contract for whatever reason upon written notice to the other party. Upon receipt of such notice, we will stop all work immediately. Regardless of the terminating party, all fees and expenses incurred by us through the date the termination notice is received will continue to be payable as provided in Clause 4 of the Engagement letter.

5.2 **Continuation of terms** – The terms of the Engagement that by their context are intended to be performed after termination or expiration of this Engagement Contract, including but not limited to, Clauses 3 and 4 of the Engagement letter, and Clauses 1.1, 4, 6 and 7 of the Standard Term and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

**6. Liability Limitation and Waiver of Jury Trial**

6.1 **Limitation of liability** – Except to the extent finally determined by a court of competent jurisdiction to have resulted from its own willful misconduct, gross negligence or fraudulent behavior, neither FTI, nor any of its subsidiaries, affiliates, officers, directors, principals, shareholders, agents, independent contractors or employees, shall be liable to you or any other party as a result of your retention of FTI, the execution and delivery of this Engagement Contract, the provision of Services or other matters relating to or arising from this Engagement Contract, whether a claim be in tort, contract or otherwise:

- 6.1.1 For any amount in excess of the total professional fees paid to FTI by the Company and/or the Lender under the Engagement Contract; or
- 6.1.2 For any consequential, indirect, lost profit or similar damages relating to FTI's Services provided under this Engagement.

Without limiting the generality of the foregoing, FTI will be deemed an agent of the Lender for the Services performed by FTI under this Engagement Contract, and will be entitled to the benefits of any and all liability limiting provisions of the Credit Agreements.

6.2 **WAIVER OF JURY TRIAL** – TO FACILITATE JUDICIAL RESOLUTION AND SAVE TIME AND EXPENSE, YOU AND FTI IRREVOCABLY AND UNCONDITIONALLY AGREE NOT TO DEMAND A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE SERVICES OR ANY SUCH OTHER MATTER.

**7. Governing Law and Jurisdiction**

The Engagement Contract shall be governed by and interpreted in accordance with the laws of Canada and the Province of Alberta, without giving effect to the choice of law provisions thereof. The Courts of Alberta sitting in Calgary shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties submit to the jurisdiction of such Courts and irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

FTI CONSULTING CANADA INC



**SCHEDULE "D" – Form 13**

Form 13  
Statutory Declaration

Financial Statement of Debtor  
(Individual Debtor)

File Number

In accordance with section 35.10 of the *Civil Enforcement Regulation*, you must, within 15 days of being served with this form, provide the completed form to the enforcement creditor.

A. Debtor Information (Please Print)

I, Shane Eric Carl Daerden 204-728-3660  
Full Name Telephone Number

Aliases, Nicknames or Previous Names

of 371 Niagara Street Winnipeg Manitoba R3N 0V3  
Present Address: Street Address City Province Postal Code

solemnly declare that the contents of this document are true and accurate.

How long have you lived at this address?

<u>7 years</u>	<u>10</u>	<u>07</u>	<u>80</u>	<u>648 709 418</u>
	Day	Month	Year	Social Insurance No.

B. Dependants

Present Marital Status

Single

Married

Other

If Other, Specify

	Day	Month	Year

Name of Spouse or Adult Interdependent Partner

Birthdate of Spouse or Adult Interdependent Partner

Do you have any children living with you who are legally dependent upon you for financial support?

Yes  No

If yes, provide the dependant's full name, age and relationship to you.

Full Name of Dependand	Age	Relationship to You
<u>Carson Thomas Seens Daerden</u>	<u>12</u>	<u>Son</u>

Do you have any other dependants who are dependent on your financial support?

Yes  No

If yes, provide the dependant's full name, address, age and relationship to you, and the reason for the dependant's dependency.

Carson Thomas Seens Daerden	12	Son
Full Name	Age	Relationship to You
371 Niagara Street	Son	
Address	Reason for Dependency	
Patricia Seens	43	Mother of Son
Full Name	Age	Relationship to You
222 Renfrew Street, Winnipeg	Child Support	
Address	Reason for Dependency	

C. Employment

Collision Kings Group Inc.		
Full Name of Current Employer	Telephone No.	Fax No.
171 Waterloo St.	Winnipeg	MB
Present Address of Employer	City	Province
		R3N 0S4
		Postal Code
Collision Repair	President	
Nature of Business	Position Occupied	
	2x month	
Place of Employment, if different from employer's address	How frequently are you paid?	If you are paid by the hour, what is your hourly wage?
10,416		6,845
If you are paid monthly, what is your gross monthly wage or salary?		What is your net monthly wage or salary?

What deductions are made from your salary? Provide complete listing.

Tax
EI

Are you qualified as a tradesman, professional or otherwise?

Yes  No

If yes, state nature of qualifications or special training.


Do you receive bonuses from your employer?

Yes  No

If yes, when did you receive your last bonus?

--

On what basis are bonuses paid?


Do you expect to receive another bonus in the near future?

Yes  No

If yes, when and for how much?

--

Do you receive money in the form of commission?

Yes  No

If yes, state type of work, amount of income received and the most recent commission received.


Do you receive money from any part-time employment?

Yes  No

If yes, give employer's name, full address and telephone number and the amount of income.


Do you have any income-producing hobbies?

Yes  No

If yes, state type of hobby and amount of income received per year.


List all other income not set out above (e.g. dividends, rental income, annuities, pensions, etc.).

Rental Income	\$500 / monthly

Have you received any income tax refunds in the past year?

Yes  No

Do you expect to receive any income tax refunds in the near future?

Yes  No

If yes, when and for how much?

1,500
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Are you a veteran?

Yes No

If yes, specify any veteran's benefits and allowances to which you are entitled.


What is the total income of your dependants from all sources?

0
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**D. Income from Business or Self-Employment**

If you are self-employed or your business is a proprietorship or partnership, list the names, addresses and telephone numbers of any partners, principals or participants.

Name	Address	Telephone No.

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Type of Business	Name of Business	Telephone No.

Business Location	Street Address

City Province Postal Code

Is this business a  proprietorship  partnership  corporation

What percentage of the business is owned by you?  What is the net book value of the business?

What is the estimated market value of the business?

Itemize your yearly income: salary, business, dividends and other.

Salary	\$ 125,000
Bonuses	\$ 0
Dividends	\$ 0
Other (automobile allowances, expenses, etc. Provide details.)	\$ 7,500
	\$
	\$

Itemize other benefits: company car, house, loans, saving plans, share purchase options, etc.

	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$

If business is a corporation, complete the following:

Are you an officer or director?  Yes  No

Title President

Total number of shares issued by the corporation and outstanding (describe type and class of share):

Total number of shares of each class held by you:

Class	Number	Net Book Value	Class	Number	Net Book Value
Common	82.6	n.i			

Total amount of all loans payable to you by the corporation:

Terms of repayment:

Amount

\$ 48,000

Interest earned (if any)

\$

Attach a copy of most recent financial statement.

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**E. Monthly Expenses**

List all of your monthly debt payments (loans, credit cards, personal debts, etc.), specifying the following:

Type of Debt	To Whom Payable	Amount Outstanding	Monthly Payment
Loan	RBC	26,675	625
Visa	RBC	9,365	
Mortgage	TD	361,528	2,512

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List other personal liabilities (personal guarantees, encumbrances and debts specifically attached to personal property, etc.), specifying name and address of creditor, and amount of liability.

Name of Creditor	Address of Creditor	Amount
TD		Unlimited
RBC		Unlimited
Access CV		Unlimited

List and give details regarding any other debts.


**F. Assets**

**Real Estate**

List all real estate (homes, rental properties, cottages, condominiums, etc.) both within and outside the Province of Alberta in which you own an interest, including municipal address, legal description, purchase price, balance owing and current market value.

	Municipal Address	Legal Description	Purchase Price	Balance Owing	Current Market Value
1.	371 Niagara		450k	361,528	500k
2.					
3.					
4.					

List the name and address of any mortgagee for each property described above, as well as the date the mortgage was granted and the amount outstanding on the mortgage.

	Name of Mortgagee	Address of Mortgagee	Date of Mortgage Granted	Amount Outstanding on Mortgage
1.	TD		2016	361,528
2.				
3.				
4.				

**Motor Vehicles**

List all motor vehicles, including cars, trucks, farm machinery, construction equipment, recreational vehicles, aircraft, etc. in which you own an interest.

	Type - Make - Model - Year	Serial No.	Purchase Price	Current Market Value
1.	Jeep Grand Cherokee 2019		52,000	

2.			
3.			
4.			

If any of the above vehicles are subject to any liens or encumbrances, specify:

	Holder of Lien or Encumbrance	Date of Lien/Encumbrance	Balance Owning on Lien/Encumbrance
1.			
2.			
3.			
4.			

**Bank Accounts, etc.**

List all chequing and savings accounts, term deposits, RRSPs, annuities, etc., specifying the following:

	Type of Deposit	Name of Institution	Account No.	Branch Address	Amount
1.	Chq	TD	6452716	Corydon	42,925
2.	Chq	RBC	07287-51939589	Corydon	-358
3.					
4.					

Also, specify whether there are any conditions attached to redemption of the accounts, and, if applicable, any expiry dates.

	Conditions Attached to Redemption	Expiry Date, if Applicable
1.		
2.		
3.		
4.		

**Shares and Securities**

If you have holdings in a corporation, complete the following:

List all shares, options, warrants, etc., and their current market value.

	Name of Corporation	Type	Number	Current Market Value	Dividends	Date Payable
1.						
2.						
3.						

List all bonds and debentures held and their current market value.

	Name of Issuer	Class or Series	Quantity Held	Total Market Value
1.				
2.				



3.			
----	--	--	--

List location of all certificates for all corporate holdings and the name(s) and address(es) of the respective broker(s).

	Location of Security Certificates or Other Evidence of Ownership of Securities	Name and Address of Broker(s)
1.		
2.		
3.		
4.		

**Trust Properties**

List all properties or interests held by a trustee on your behalf.

	Description of Assets Held	Location of Assets	Name and Address of Trustee
1.			
2.			
3.			
4.			

**Other Assets**

List all other assets, specifying kind, value and location, and whether solely or jointly owned.

Type of Asset	Description	Sole Owner		Location	Value
		Yes	No		
Interests in other businesses					
Promissory notes, judgment debts					
Loans and mortgages receivable					
Pension plans, registered pension plans, self-administered pension plans, life insurance policies (cash surrender value)					

List all other assets, specifying kind, value and location, and whether solely or jointly owned (e.g. art, jewellery, bullion, coins, cameras, household furniture and appliances, stereos, TVs, computers, crystal, dishwashers, etc.).

Description of Asset	Sole Owner		Location	Value
	Yes	No		
Appliances				2,500
Jewelry				5,000

**G. Transfer of Property**

Have you given away, sold, assigned or otherwise transferred any property (land, buildings, vehicles, money, household furnishings, etc.) to anyone within the past year? Specify details below.

Description of Property	To Whom Transferred	Date of Transfer	How Much Money, if Any, Was Recovered by You?

**H. Insurance**

List all insurance policies in which you are a named beneficiary, including the insurance company granting the policy, the policy number, the amount, the person insured, the premium and its cash surrender value.

Insurance Company	Policy No.	Amount	Person Insured	Premium	Cash Surrender Value

**I. Parties Who Owe You Money**

List all parties who owe you money.

Name	Address	Reason for Debt	Amount Owing	Status of Court Action, if Any

**J. Inheritances**

List all estates in which you are the beneficiary of an inheritance.

Deceased's Name	Address	Value of Inheritance

**K. Additional Income and Assets**

List all income and assets not itemized above (e.g. legal action claims under insurance policies, etc.).


And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at Winnipeg

Manitoba

~~Alberta~~, on

December 22

2023



A Commissioner for Oaths/Notary Public  
in and for the Province of Manitoba

Colin Findlay, does not expire.

Print Name and Expiry Date

Print Name

SHANE DAERDEN

Signature of Debtor





Resolution of the Directors of Collision Kings Group Inc. (the Corporation)  
carrying on business under the name of Collision Kings (the Business Name)

Whereas it is in the interest of the Corporation to enter into arrangements for the provision of financial products and/or services with The Toronto-Dominion Bank, TD Mortgage Corporation, TD Pacific Mortgage Corporation and The Canada Trust Company<sup>1</sup> (collectively, the "Bank"), therefore;

**Be it resolved that:**

1. The Corporation may from time to time:
  - (a) open, maintain and operate one or more accounts with the Bank and do all things in relation thereto;
  - (b) borrow money or otherwise obtain credit from the Bank in such amounts and on such terms as may be deemed appropriate, by loans, advances, overdrafts, financial leases or otherwise;
  - (c) mortgage, hypothecate, charge, pledge, assign, convey, transfer or otherwise grant a security interest in any or all of the property, real and personal, immovable and moveable, undertaking and rights of the Corporation, present and future, to secure the payment and performance of any or all of the present and future indebtedness, liabilities and obligations of the Corporation to the Bank;
  - (d) enter into further arrangements for the provision of financial products and/or services with the Bank;
  - (e) guarantee the obligations of any third party to the Bank either with or without security; and
  - (f) do all such acts and things and execute and deliver any and all agreements or other instruments as deemed necessary by the Bank to give full effect to this resolution.
2. In accordance with any restrictions set out below, the persons holding the offices listed below from time to time are authorized for and on behalf of the Corporation to:
  - (a) execute and deliver all of the documents and instruments contemplated by this resolution;
  - (b) give the Bank instructions in connection with any of the foregoing;
  - (c) conduct all aspects of the Corporation's banking relationship with the Bank;
  - (d) further delegate the authority granted hereunder to such person or persons as the authorized signing officer(s) may select at any time and from time to time; and
  - (e) appoint, add, remove and/or replace signing officers (including appointing specific signing officers in respect of specified accounts) and to establish and change the Signing Officer Requirements/Restrictions from time to time on prior written notice to the Bank.

The Bank is entitled to rely on such documents, instruments, instructions and transactions as duly and validly authorized and binding on the Corporation including, without limitation, any documents, instruments, instructions and transactions made, drawn, accepted, endorsed or signed by any delegate(s). The Bank does not need to make any further inquiry into the authority of the authorized signing officers or delegates to bind the Corporation.

**Signing Officers (Identify by title and not by name)**

Title: President / Director

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**The persons holding the corresponding offices, as of the date hereof, are:**

Name: Shane Daerden

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Any titled officer or signing officer of the Corporation is authorized to certify to the Bank the names of those persons who are holders from time to time of the positions authorized as signing officers, and such certification, when received by the Bank, shall be binding on the Corporation.


**Signing Officer Requirements/Restrictions**

*Record the signing requirements, using titles only and not names, e.g. "any one to sign", "the President to sign alone", the President and the Secretary to sign together.*

Documents may be signed by the sole director, acting alone.

Certified a true copy of a Resolution duly passed by the Board of Directors of the Corporation and that this Resolution is now in full force and effect and unamended.

Dated this 27<sup>th</sup> day of December, 2023

X 

Name: Shane Daerden, President and Director

X \_\_\_\_\_

Name: \_\_\_\_\_

**Note:** This form must be signed by the Corporation's titled officer(s), e.g. President, Secretary, Treasurer, Vice-President or signing officer(s) of the Corporation.

<sup>1</sup> TD Mortgage Corporation and TD Pacific Mortgage Corporation are loan companies incorporated under the *Trust and Loan Companies Act* of Canada, and member institutions of the Canada Deposit Insurance Corporation. The Canada Trust Company is a trust company incorporated under the *Trust and Loan Companies Act* of Canada, and a member institution of the Canada Deposit Insurance Corporation.

## RESOLUTION OF THE SOLE DIRECTOR

OF

**CMD HOLDINGS INC.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland**”), Sunridge Collision Ltd. (“**Sunridge**”), 2199931 Alberta Ltd. (“**219 AB**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the Corporation, East Lake, Mayland, Sunridge and 219 AB, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**”) and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**”) and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, an unlimited corporate guarantee of advances with respect to East Lake, Mayland, 219 AB, Kings 3 and Sunridge, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the Corporation, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and subject to the conditions contained therein.

### **NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 2<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to read 'S. Daerden'.

SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of CMD HOLDINGS INC. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden

Title: President



**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**EAST LAKE COLLISION LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, CMD Holdings Inc. (“**CMD Holdings**”), Mayland Heights Collision Ltd. (“**Mayland**”), Sunridge Collision Ltd. (“**Sunridge**”), 2199931 Alberta Ltd. (“**219 AB**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the Corporation, CMD Holdings, Mayland, Sunridge and 219 AB, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**” and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**” and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the Corporation, CMD Holdings, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of EAST LAKE COLLISION LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 27<sup>th</sup> day of December, 2023.



Name: Shane Daerden  
Title: President

**RESOLUTION OF THE SOLE DIRECTOR**  
**OF**  
**MAYLAND HEIGHTS COLLISION LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Sunridge Collision Ltd. (“**Sunridge**”), 219931 Alberta Ltd. (“**219 AB**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the Corporation, CMD Holdings, East Lake, Sunridge and 219 AB, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**”) and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**”) and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the Corporation, CMD Holdings, East Lake, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of MAYLAND HEIGHTS COLLISION LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



\_\_\_\_\_  
Name: Shane Daerden

Title: President



**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**SUNRIDGE COLLISION LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland**”), 2199931 Alberta Ltd. (“**219 AB**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the Corporation, CMD Holdings, East Lake, Mayland and 219 AB, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**” and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**” and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the Corporation, CMD Holdings, East Lake, Mayland and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and subject to the conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of SUNRIDGE COLLISION LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden

Title: President

**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**2199931 ALBERTA LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland**”), Sunridge Collision Ltd. (“**Sunridge**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the Corporation, CMD Holdings, East Lake, Mayland and Sunridge, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**”) and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**”) and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the Corporation, CMD Holdings, East Lake, Mayland and Sunridge are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.


**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of 2199931 ALBERTA LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden  
Title: President



**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**COLLISION KINGS 3 LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with the Corporation, CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland**”), Sunridge Collision Ltd. (“**Sunridge**”) and 2199931 Alberta Ltd. (“**219 AB**”) and together with the Corporation, CMD Holdings, East Lake, Mayland and Sunridge, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), Royal Vista Collision Ltd. (“**Royal**”), CMD Glass Ltd. (“**CMD Glass**”), Stathko Investments Ltd. (“**Stathko**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**”) and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**”) and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of COLLISION KINGS 3 LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden

Title: President

**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**ARROW AUTO BODY LTD.**

(hereinafter called the "**Corporation**")

**WHEREAS** The Toronto-Dominion Bank (the "**Lender**") entered various credit facilities (the "**Loans**") with CMD Holdings Inc. ("**CMD Holdings**"), East Lake Collision Ltd. ("**East Lake**"), Mayland Heights Collision Ltd. ("**Mayland**"), Sunridge Collision Ltd. ("**Sunridge**"), 2199931 Alberta Ltd. ("**219 AB**") and Collision Kings 3 Ltd. ("**Kings 3**" and together with the CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB, each a "**Borrower**", and collectively, the "**Borrowers**"), as guaranteed by, *inter alia*, the Corporation, Collision Kings Group Inc. ("**CKGI**"), Royal Vista Collision Ltd. ("**Royal**"), CMD Glass Ltd. ("**CMD Glass**"), Stathko Investments Ltd. ("**Stathko**") and those certain other guarantors as listed in the Letter of Agreement (the "**Guarantors**" and together with the Borrowers, the "**Loan Parties**"), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the "**Original Letter of Agreement**") as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the "**Amending Agreements**" and together with the Original Letter of Agreement, the "**Letter of Agreement**"), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the "**Security Documents**");

**AND WHEREAS** the CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the "**Agreement**");

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the "**Documents**");
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of ARROW AUTO BODY LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



\_\_\_\_\_  
Name: Shane Daerden  
Title: President



## RESOLUTION OF THE SOLE DIRECTOR

OF

**CMD GLASS LTD.**

(hereinafter called the "**Corporation**")

**WHEREAS** The Toronto-Dominion Bank (the "**Lender**") entered various credit facilities (the "**Loans**") with CMD Holdings Inc. ("**CMD Holdings**"), East Lake Collision Ltd. ("**East Lake**"), Mayland Heights Collision Ltd. ("**Mayland**"), Sunridge Collision Ltd. ("**Sunridge**"), 2199931 Alberta Ltd. ("**219 AB**") and Collision Kings 3 Ltd. ("**Kings 3**") and together with the CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB, each a "**Borrower**", and collectively, the "**Borrowers**", as guaranteed by, *inter alia*, the Corporation, Collision Kings Group Inc. ("**CKGI**"), Arrow Auto Body Ltd. ("**Arrow**"), Royal Vista Collision Ltd. ("**Royal**"), Stathko Investments Ltd. ("**Stathko**") and those certain other guarantors as listed in the Letter of Agreement (the "**Guarantors**" and together with the Borrowers, the "**Loan Parties**"), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the "**Original Letter of Agreement**") as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the "**Amending Agreements**" and together with the Original Letter of Agreement, the "**Letter of Agreement**"), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the "**Security Documents**");

**AND WHEREAS** the CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the "**Agreement**");

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

### **NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the "**Documents**");
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
\_\_\_\_\_  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of CMD GLASS LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden  
Title: President

**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**ROYAL VISTA COLLISION LTD.**

(hereinafter called the "**Corporation**")

**WHEREAS** The Toronto-Dominion Bank (the "**Lender**") entered various credit facilities (the "**Loans**") with CMD Holdings Inc. ("**CMD Holdings**"), East Lake Collision Ltd. ("**East Lake**"), Mayland Heights Collision Ltd. ("**Mayland**"), Sunridge Collision Ltd. ("**Sunridge**"), 2199931 Alberta Ltd. ("**219 AB**") and Collision Kings 3 Ltd. ("**Kings 3**") and together with the CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB, each a "**Borrower**", and collectively, the "**Borrowers**", as guaranteed by, *inter alia*, the Corporation, Collision Kings Group Inc. ("**CKGI**"), Arrow Auto Body Ltd. ("**Arrow**"), CMD Glass Ltd. ("**CMD Glass**"), Stathko Investments Ltd. ("**Stathko**") and those certain other guarantors as listed in the Letter of Agreement (the "**Guarantors**" and together with the Borrowers, the "**Loan Parties**"), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the "**Original Letter of Agreement**") as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the "**Amending Agreements**" and together with the Original Letter of Agreement, the "**Letter of Agreement**"), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the "**Security Documents**");

**AND WHEREAS** the CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the "**Agreement**");

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the "**Documents**");
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.



SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of ROYAL VISTA COLLISION LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden  
Title: President



**RESOLUTION OF THE SOLE DIRECTOR**

**OF**

**STATHKO INVESTMENTS LTD.**

(hereinafter called the “**Corporation**”)

**WHEREAS** The Toronto-Dominion Bank (the “**Lender**”) entered various credit facilities (the “**Loans**”) with CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland**”), Sunridge Collision Ltd. (“**Sunridge**”), 2199931 Alberta Ltd. (“**219 AB**”) and Collision Kings 3 Ltd. (“**Kings 3**”) and together with the CMD Holdings, East Lake, Mayland, Sunridge, and 219 AB, each a “**Borrower**”, and collectively, the “**Borrowers**”), as guaranteed by, *inter alia*, the Corporation, Collision Kings Group Inc. (“**CKGI**”), Arrow Auto Body Ltd. (“**Arrow**”), CMD Glass Ltd. (“**CMD Glass**”), Royal Vista Collision Ltd. (“**Royal**”) and those certain other guarantors as listed in the Letter of Agreement (the “**Guarantors**” and together with the Borrowers, the “**Loan Parties**”), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the “**Original Letter of Agreement**”) as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the “**Amending Agreements**” and together with the Original Letter of Agreement, the “**Letter of Agreement**”), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** as security to the Lender respecting the Loans, the Corporation has provided to the Lender, *inter alia*, the Letter of Agreement, a confirmation of continuing guarantees and security, and the security and other documents referred to in the Letter of Agreement (collectively, the “**Security Documents**”);

**AND WHEREAS** the CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the “**Agreement**”);

**AND WHEREAS** it is considered desirable and in the best interests of the Corporation to enter into the Agreement on the terms and conditions contained therein.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Agreement and the execution and delivery of the Agreement by the Corporation and the performance by the Corporation of its obligations under and pursuant to the Agreement be and are hereby ratified, authorized, confirmed, and approved;
2. The Corporation is hereby authorized to execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Agreement or the intent of this resolution (the “**Documents**”);
3. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:

- (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and
  - (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Agreement and to carry out the intent of Agreement and this resolution;
4. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Agreement, are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  5. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  6. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  7. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.

  
\_\_\_\_\_  
SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of STATHKO INVESTMENTS LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 7 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden  
Title: President

## RESOLUTION OF THE SOLE DIRECTOR

OF

### NICK'S REPAIR SERVICE LTD.

(hereinafter called the "**Corporation**")

**WHEREAS** The Toronto-Dominion Bank (the "**Lender**") entered various credit facilities (the "**Loans**") with CMD Holdings Ltd. ("**CMD Holdings**"), East Lake Collision Ltd. ("**East Lake**"), Mayland Heights Collision Ltd. ("**Mayland**"), Sunridge Collision Ltd. ("**Sunridge**"), 2199931 Alberta Ltd. ("**219 AB**") and Collision Kings 3 Ltd. ("**Kings 3**" and together with the Corporation, East Lake, Mayland, Sunridge and 219 AB, each a "**Borrower**", and collectively, the "**Borrowers**"), as guaranteed by, *inter alia*, Collision Kings Group Inc. ("**CKGI**"), Arrow Auto Body Ltd. ("**Arrow**"), Royal Vista Collision Ltd. ("**Royal**"), CMD Glass Ltd. ("**CMD Glass**"), Stathko Investments Ltd. ("**Stathko**") and those certain other guarantors as listed in the Letter of Agreement (the "**Guarantors**" and together with the Borrowers, the "**Loan Parties**"), pursuant to a Letter of Agreement dated November 21, 2022 among the Lender and the Loan Parties (the "**Original Letter of Agreement**") as amended pursuant to certain Amending Agreements dated November 28, 2022, March 10, 2023, July 10, 2023, September 5, 2023, and November 23, 2023 (collectively, the "**Amending Agreements**" and together with the Original Letter of Agreement, the "**Letter of Agreement**"), as may be further amended, supplemented, or restated from time to time;

**AND WHEREAS** CMD Holdings, East Lake, Mayland, Sunridge and 219 AB are in default of their obligations under the Security Documents and the Loan Parties have requested, and the Lender has agreed, to forbear from immediate enforcement of its rights under the Security Documents pursuant to and in accordance with the terms and subject to the conditions set forth in that certain forbearance agreement by and between the Lender and the Loan Parties to be entered into even date herewith (the "**Forbearance Agreement**");

**AND WHEREAS** as a condition of the Lender entering into the Forbearance Agreement, and as security to the Lender in connection with the Forbearance Agreement and the obligations pursuant to the Letter of Agreement, the Corporation has agreed to provide to the Lender a general security agreement to be registered in the Personal Property Registry of Manitoba and an unlimited corporate guarantee with respect to the obligations of CMD Holdings to the Lender (collectively, the "**Security Documents**");

#### **NOW THEREFORE BE IT RESOLVED THAT:**

1. The Corporation is hereby authorized to execute, deliver, grant and provide to the Lender all of the Security Documents, as well as from time to time execute such further and other instruments and documents as are or may become necessary or desirable to effectuate the Security Documents, or otherwise in support of the Forbearance Agreement or the intent of this resolution (collectively referred to, along with the Security Documents, as the "**Documents**");
2. The sole director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation and in its name to:
  - (a) execute and deliver the Documents to the Lender in form acceptable to such officer or director, and execution by such officer or director shall be conclusively deemed to be an approval by such officer or director; and

- (b) do all such acts and things and to execute or cause to be executed all such other agreements, documents, certificates, instruments, resolutions and other writings which are, in the opinion of such officer or director, necessary or desirable to fulfil the terms of the Security Documents and to carry out the intent of the Forbearance Agreement and this resolution;
3. All acts and things done and all documents executed by any officer or the sole director of the Corporation to date in connection with the Documents (including, without limitation, the Security Documents), are hereby confirmed, verified, sanctioned, approved, adopted and authorized;
  4. The sole director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver the Documents with such alterations, additions, amendments and deletions as may be approved by such persons executing the same, whose signatures shall be conclusive evidence of such authorization;
  5. The sole director or officer of the Corporation is hereby authorized for and in the name of the Corporation to execute and deliver all such other documents and to do all such other acts and things as may be necessary or desirable to give effect to this resolution or as may be reasonably required by the Lender;
  6. This resolution is effective the 22<sup>nd</sup> day of December, 2023.

*[Remainder of page intentionally left blank.]*

Signed by the sole director of the Corporation on the 22<sup>nd</sup> day of December, 2023.



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SHANE DAERDEN

CERTIFICATE

The undersigned hereby certifies that the foregoing is a true and correct copy of a resolution of the sole director of NICK'S REPAIR SERVICE LTD. (the "**Corporation**") duly and lawfully passed by the sole director of the Corporation on the same date and time as noted in paragraph 6 above, which resolution is still in full force and effect as of the date hereof.

DATED the 22<sup>nd</sup> day of December, 2023.



Name: Shane Daerden  
Title: President















## Profile Report

COLLISION KINGS GROUP INC. as of December 20, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	COLLISION KINGS GROUP INC.
Ontario Corporation Number (OCN)	2633885
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 04, 2018
Registered or Head Office Address	100 King Street West, 1 First Canadian Place 1600, Toronto, Ontario, Canada, M5X 1G5

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

Active Director(s) 1  
Minimum Number of Directors 1  
Maximum Number of Directors 10

Name SHANE DAERDEN  
Address for Service 371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3  
Resident Canadian Yes  
Date Began May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name

SHANE DALRDEN

Position

President

Address for Service

371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3

Date Began

May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



Corporate Name History

Name

COLLISION KINGS GROUP INC.

Effective Date

May 04, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Active Business Names**

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

**Expired or Cancelled Business Names**

This corporation does not have any expired or cancelled business names registered under the Business Names Act In Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Archive Document Package	December 13, 2021
CIA - Initial Return PAF: SYLVAIN TANGUAY - OTHER	May 09, 2018
BCA - Articles of Incorporation	May 04, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.



## Rapport de profil

COLLISION KINGS GROUP INC, en date du 20 décembre 2023

Loi	Loi sur les sociétés par actions
Type	Société par actions de l'Ontario
Dénomination	COLLISION KINGS GROUP INC.
Numéro de société de l'Ontario	2633885
Autorité législative responsable	Canada - Ontario
Statut	Active
Date de constitution	04 mai 2018
Adresse légale ou du siège social	100 King Street West, 1 First Canadian Place 1600, Toronto, Ontario, Canada, M5X 1G5

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Administrateurs en fonction	
Nombre minimal d'administrateurs	1
Nombre maximal d'administrateurs	10

Dénomination	SHANE DAERDEN
Adresse aux fins de signification	371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3
Résident canadien	Oui
Date d'entrée en fonction	04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Dirigeants en fonction  
Dénomination  
Poste  
Adresse aux fins de signification  
Date d'entrée en fonction

SHANE DAERDEN  
Président de la société  
371 Niagara Street, Winnipeg, Manitoba, Canada, R3N 0V3  
04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registraireur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1er avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

Historique des dénominations sociales

Nom

COLLISION KINGS GROUP INC.

Date d'entrée en vigueur

04 mai 2018

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1<sup>er</sup> avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.



**Noms commerciaux en vigueur**

Cette personne morale n'a aucun nom commercial actif enregistré en vertu de la Loi sur les noms commerciaux de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1<sup>er</sup> avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

### Noms commerciaux expirés ou révoqués

Les noms commerciaux actifs enregistrés de cette personne morale en vertu de la Loi sur les noms commerciaux de l'Ontario sont expirés ou annulés.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1<sup>er</sup> avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

## Liste de documents

Nom du dépôt	Date d'entrée en vigueur
Trousse de documents archivés	13 décembre 2021
CIA - Rapport initial PRE: SYLVAIN TANGUAY - OTHER	09 mai 2018
BCA - Statuts constitutifs	04 mai 2018

Tous les renseignements de la « PRE » (personne autorisant le dépôt) sont affichés exactement tels qu'ils sont enregistrés dans le Registre des entreprises de l'Ontario. Lorsque la PRE ne figure pas sur un document, les renseignements n'ont pas été enregistrés dans le Registre des entreprises de l'Ontario.

Copie certifiée conforme du dossier du ministère des Services au public et aux entreprises.

*V. Quintanilla W.*

Directeur ou registrateur

Ce rapport présente les renseignements les plus récents déposés à compter du 27 juin 1992 à l'égard des sociétés, et le 1<sup>er</sup> avril 1994, à l'égard des dépôts en vertu de la Loi sur les noms commerciaux et de la Loi sur les sociétés en commandite et enregistrés dans les dossiers électroniques tenus par le Ministère à la date et à l'heure auxquelles le rapport est généré, sauf si le rapport est généré pour une date antérieure. Si ce rapport est produit pour une date antérieure, le rapport contient les renseignements les plus récents déposés et enregistrés dans les dossiers électroniques tenus par le Ministère jusqu'à la date « en date du » indiquée sur le rapport. Des renseignements historiques supplémentaires peuvent exister au format papier ou microfiche.

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:00 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063783  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2022907469  
**Business Number:** 815524822  
**Legal Entity Name:** CMD HOLDINGS INC.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2020/09/25 YYYY/MM/DD

## Registered Office:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

## Records Address:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

## Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

**Voting Shareholders:**

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:****The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "B"

**Other Information:****Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2022706838	2270683 ALBERTA LTD.
2014279224	CMD HOLDINGS INC.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/23

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2020/09/25	Amalgamate Alberta Corporation
2020/10/23	Change Director / Shareholder
2020/11/05	Update Business Number Legal Entity
2021/11/09	Change Agent for Service
2023/01/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000407138437504	2020/09/25
Share Structure	ELECTRONIC	2020/09/25
Other Rules or Provisions	ELECTRONIC	2020/09/25

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:03 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063817  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2013057456  
**Business Number:** 852238583  
**Legal Entity Name:** SUNRIDGE COLLISION LTD.

**Name History:**

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
SUNRIDGE CARSTAR COLLISION LTD.	2007/04/05

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2007/03/07 YYYY/MM/DD  
**Date of Last Status Change:** 2023/08/17 YYYY/MM/DD

**Registered Office:**

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Records Address:**

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Alternative Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

**Voting Shareholders:**

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:****The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
AUTOBAHN CARSTAR COLLISION	TN13382783
CARSTAR CALGARY SUNRIDGE	TN15667355

**Other Information:**

**Last Annual Return Filed:**



File Year	Date Filed (YYYY/MM/DD)
2022	2023/08/17

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2007/03/07	Incorporate Alberta Corporation
2007/04/05	Name Change Alberta Corporation
2020/02/19	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/05/02	Status Changed to Start for Failure to File Annual Returns
2023/08/17	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2007/03/07
Restrictions on Share Transfers	ELECTRONIC	2007/03/07
Other Rules or Provisions	ELECTRONIC	2007/03/07

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:02 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063812  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2018254553  
**Business Number:** 803299247  
**Legal Entity Name:** MAYLAND HEIGHTS COLLISION LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2014/05/29 YYYY/MM/DD

#### Registered Office:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

#### Records Address:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

#### Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

**Voting Shareholders:**

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR CALGARY MERIDIAN	TN18298679

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/23

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2014/05/29	Incorporate Alberta Corporation
2020/02/21	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/01/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/05/29
Restrictions on Share Transfers	ELECTRONIC	2014/05/29
Other Rules or Provisions	ELECTRONIC	2014/05/29

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:01 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063793  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2015036003  
**Business Number:** 832032262  
**Legal Entity Name:** EAST LAKE COLLISION LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2009/11/25 YYYY/MM/DD

## Registered Office:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

## Records Address:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

## Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

#### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

#### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CARSTAR CALGARY EAST LAKE	TN15667371

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2021	2022/02/02

##### Outstanding Returns:

Annual returns are outstanding for the 2022 file year(s).

##### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2009/11/25	Incorporate Alberta Corporation
2020/02/20	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2022/02/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2009/11/25
Restrictions on Share Transfers	ELECTRONIC	2009/11/25
Other Rules or Provisions	ELECTRONIC	2009/11/25

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:04 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063848  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 200754901

**Business Number:**

**Legal Entity Name:** ARROW AUTO BODY LTD.

**Legal Entity Status:** Active

**Alberta Corporation Type:** Named Alberta Corporation

**Registration Date:** 1974/09/20 YYYY/MM/DD

**Registered Office:**

**Street:** 2100, 222 - 3 AVENUE SW

**City:** CALGARY

**Province:** ALBERTA

**Postal Code:** T2P0B4

**Records Address:**

**Street:** 2100, 222 - 3 AVENUE SW

**City:** CALGARY

**Province:** ALBERTA

**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Alternative Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Directors:**



**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 4610 112 AVE SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2  
**Percent Of Voting Shares:** 100

#### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
ARROW CARSTAR COLLISION	TN11915212
CARSTAR CALGARY BURNSLAND RD	TN19555366
CARSTAR CALGARY INGLEWOOD	TN15667330

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/23

##### Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

**Continued Under the Business Corporations Act on:** 1982/12/09 YYYY/MM/DD

##### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/01/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:05 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063861  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2016365534  
**Business Number:** 825090707  
**Legal Entity Name:** CMD GLASS LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2011/10/20 YYYY/MM/DD

## Registered Office:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

## Records Address:

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

## Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 4610 112 AVE SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2  
**Percent Of Voting Shares:** 100

#### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS SET OUT IN SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** AS SET OUT IN SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** AS SET OUT IN SCHEDULE "C" ATTACHED HERETO.

#### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CARSTAR EXPRESS AUTO CARE CALGARY INGLEWOOD	TN18837070

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/23

##### Outstanding Returns:

Annual returns are outstanding for the 2023 file year(s).

##### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2011/10/20	Incorporate Alberta Corporation
2020/02/20	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/01/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2011/10/20
Restrictions on Share Transfers	ELECTRONIC	2011/10/20
Other Rules or Provisions	ELECTRONIC	2011/10/20

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:06 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063916  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2019052345  
**Business Number:** 810730366  
**Legal Entity Name:** ROYAL VISTA COLLISION LTD.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
1905234 ALBERTA INC.	2017/08/29

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2015/06/24 YYYY/MM/DD  
**Date of Last Status Change:** 2023/12/06 YYYY/MM/DD

## Registered Office:

**Street:** 4600 112 AVE SE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2C2K2

**Email Address:** SHANE@COLLISIONKINGS.CA

## Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HAMILTON	BRUCE			3039 UNDERHILL DR NW	CALGARY	ALBERTA	T2N4E4	BHAMILTONSTRATEGY@GMAIL.COM

## Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

## Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 171 WATERLOO ST  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** T3N0S4  
**Percent Of Voting Shares:** 100

### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED HERETO.

### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CARSTAR CALGARY ROYAL OAK	TN21771688

### Other Information:

#### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/12/06

#### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2015/06/24	Incorporate Alberta Corporation
2017/08/29	Name Change Alberta Corporation
2020/02/22	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/08/02	Status Changed to Start for Failure to File Annual Returns
2023/12/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.

### Attachments:

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded (YYYY/MM/DD)</b>
Share Structure	ELECTRONIC	2015/06/24
Restrictions on Share Transfers	ELECTRONIC	2015/06/24
Other Rules or Provisions	ELECTRONIC	2015/06/24

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 03:07 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063937  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2010112924  
**Business Number:** 855125647  
**Legal Entity Name:** STATHKO INVESTMENTS LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2002/10/07 YYYY/MM/DD

**Registered Office:**

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Records Address:**

**Street:** 2100, 222 - 3 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P0B4

**Email Address:** CAL\_CORPFILING@MLTAIKINS.COM

**Primary Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
EXNER	SCOTT		MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Alternative Agent for Service:**

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
CLARK	MICHAEL	J.	MLT AIKINS LLP	2100, 222 - 3 AVENUE SW	CALGARY	ALBERTA	T2P0B4	CAL_CORPFILING@MLTAIKINS.COM

**Directors:**

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3

#### Voting Shareholders:

**Legal Entity Name:** CMD HOLDINGS INC.  
**Corporate Access Number:** 2014279224  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

#### Details From Current Articles:

##### The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** AS PER ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** NO SHARES SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF ALL THE DIRECTORS OF THE CORPORATION BY RESOLUTION IN WRITING.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NO RESTRICTIONS  
**Business Restricted From:** NO RESTRICTIONS  
**Other Provisions:** AS PER ATTACHED SCHEDULE "B"

#### Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
CARSTAR CALGARY DOWNTOWN	TN15667348
G.T. CARSTAR COLLISION	TN11915204

#### Other Information:

##### Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/23

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2002/10/07	Incorporate Alberta Corporation
2020/02/18	Update BN
2020/09/25	Change Director / Shareholder
2020/09/25	Change Address
2021/11/05	Change Agent for Service
2023/01/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2002/10/07
Other Rules or Provisions	ELECTRONIC	2002/10/07

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 02:57 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063748  
 Customer Reference Number: 0137640-00022

Corporate Access Number: 2021999319  
 Business Number: 785508474  
 Legal Entity Name: 2199931 ALBERTA LTD.

Legal Entity Status: Active  
 Alberta Corporation Type: Numbered Alberta Corporation  
 Registration Date: 2019/06/19 YYYY/MM/DD

#### Registered Office:

Street: 2200, 10235 - 101 STREET NW  
 City: EDMONTON  
 Province: ALBERTA  
 Postal Code: T5J3G1

#### Records Address:

Street: 2200, 10235 - 101 STREET NW  
 City: EDMONTON  
 Province: ALBERTA  
 Postal Code: T5J3G1

Email Address: EDM\_CORPSUPPORT@MLTAIKINS.COM

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MERRICK	ADAM	D.	MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

#### Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
AMELIO QC	SALVATORE	N.	MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 171 WATERLOO STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3N0S4

**Voting Shareholders:**

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR LLOYDMINSTER AB	TN22326359
CARSTAR LLOYDMINSTER SK	TN22326375
CITY CENTER AUTO BODY	TN22339485

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/30

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing

2019/06/19	Incorporate Alberta Corporation
2020/02/23	Update BN
2022/02/07	Change Agent for Service
2023/01/30	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2019/06/19
Restrictions on Share Transfers	ELECTRONIC	2019/06/19
Other Rules or Provisions	ELECTRONIC	2019/06/19

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





Entity Number: 102081118

Entity Name: 2199931 ALBERTA LTD.

Page 1 of 2

Report Date: 11-Dec-2023

### Entity Details

Entity Type	Business Corporation
Entity Subtype	NWP Corporation
Entity Status	Active
Registration Date	19-Jun-2019
Entity Number in Home Jurisdiction	2021999319
Entity Name in Home Jurisdiction	2199931 ALBERTA LTD.
Home Jurisdiction	Alberta, Canada
Incorporation/Amalgamation Date in Home Jurisdiction	19-Jun-2019
Nature of Business	Holding companies

### Registered Office Addresses

Physical Address	2200, 10235 - 101 STREET NW, EDMONTON, Alberta, Canada, T5J 3G1
Mailing Address	2200, 10235 - 101 STREET NW, EDMONTON, Alberta, Canada, T5J 3G1

### Directors/Officers

<b>SHANE DAERDEN (Director)</b>	<b>Effective Date:</b>	<b>19-Jun-2019</b>
Physical Address:		
Mailing Address:		

### Power of Attorney

#### STATHY G. MARKATOS

Physical Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9
Mailing Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

#### NATHAN A. SCHISSEL

Physical Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9
Mailing Address:	1500 - 1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9



Entity Number: 102081118

Page 2 of 2

Entity Name: 2199931 ALBERTA LTD.

Report Date: 11-Dec-2023

**SAMER AWADH**

Physical Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

Mailing Address: 1500-1874 SCARTH STREET, REGINA, Saskatchewan, Canada, S4P 4E9

**Event History**

<b>Type</b>	<b>Date</b>
Power of Attorney	31-May-2023
Power of Attorney	07-Jun-2022
Power of Attorney	15-Jul-2020
Business Corporation - NWP Registration	19-Jun-2019



# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/12/11  
 Time of Search: 02:59 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 41063734  
 Customer Reference Number: 0137640-00022

**Corporate Access Number:** 2022089599  
**Business Number:** 784748535  
**Legal Entity Name:** COLLISION KINGS 3 LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2019/08/01 YYYY/MM/DD

#### Registered Office:

**Street:** 2200, 10235 - 101 STREET NW  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5J3G1

#### Records Address:

**Street:** 2200, 10235 - 101 STREET NW  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5J3G1

**Email Address:** EDM\_CORPSUPPORT@MLTAIKINS.COM

#### Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MERRICK	ADAM	D.	MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

#### Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
AMELIO QC	SALVATORE	N.	MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

#### Directors:

**Last Name:** DAERDEN  
**First Name:** SHANE  
**Street/Box Number:** 171 WATERLOO STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3N0S4

**Voting Shareholders:**

**Last Name:** COLLISION KINGS GROUP INC.  
**Street:** 371 NIAGARA STREET  
**City:** WINNIPEG  
**Province:** MANITOBA  
**Postal Code:** R3C0V3  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
CARSTAR GRANDE PRAIRIE	TN22442628
CARSTAR GRANDE PRAIRIE (DON GOLDEN)	TN22824759
DON GOLDEN AUTO BODY	TN22091706

**Other Information:**

**Amalgamation Predecessors:**

Corporate Access Number	Legal Entity Name
2022040212	2204021 ALBERTA LTD.
2021999590	COLLISION KINGS 3 LTD.

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2023/01/30

**Outstanding Returns:**

Annual returns are outstanding for the 2023 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2019/08/01	Amalgamate Alberta Corporation
2020/02/23	Update BN
2022/02/16	Change Agent for Service
2023/01/30	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2019/08/01
Restrictions on Share Transfers	ELECTRONIC	2019/08/01
Other Rules or Provisions	ELECTRONIC	2019/08/01
Statutory Declaration	10000707132001031	2019/08/01

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





File Summary

Registry No : 10022596  
Entity Name : BUNZY'S AUTO BODY LTD.

As of : 09-Nov-2023

Entity Name : BUNZY'S AUTO BODY LTD.  
Registry No : 10022596  
Business No : 100691401MC0002  
Current Status : Active (New Amalgamated)

Entity Type : BUSINESS CORPORATION  
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 31-Jul-2018  
Home Jurisdiction : MANITOBA  
Annual Return/Renewal Date : 31-Aug-2024  
Year of Last A/R - Renewal : 2023  
Nature of Business : MOTOR VEHICLE REPAIR SHOP  
NAICS Code : 8111

**Registered Office Address :**

Effective date, if changing address : 31-Jul-2018  
Address : 30TH FLOOR, 360 MAIN STREET, MLT AIKINS LLP  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Mailing Address :**

Name :  
Address : MLT AIKINS LLP, 30TH FLOOR, 360 MAIN STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Director Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3

**Officer Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3  
Position Held as Officer : PRESIDENT

**Shareholders Information (holders of 10% or more of Issued Voting Shares) :**

Firm Name : COLLISION KINGS GROUP INC.  
Class Name : Common

Shares Held : 100.00

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**Share Structure :**

Class	Authorized Number
Common	UNLIMITED

Shares are distributed to the public : No

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**Corporations involved to form Amalgamation :**

Registry No : 367427  
Entity Name : BUNZY'S AUTO BODY LTD.  
Registry No : 10021134  
Entity Name : 10021134 MANITOBA LTD.

---

**Event History :**

<u>Event</u>	<u>Date :</u>	<u>Filing Year :</u>
AMALGAMATION	31-Jul-2018	
REQUEST BN15 FOR AMALGAMATION SUCCESSOR	22-Aug-2018	
HUB: ASSIGN BN15 FOR BN	22-Aug-2018	
COMPLIANCE STATUS - DEFAULT	23-Sep-2019	
ANNUAL RETURN (Filed on the Web)	04-May-2020	2019
COMPLIANCE STATUS - DEFAULT	21-Sep-2020	
ANNUAL RETURN (Filed on the Web)	23-Nov-2020	2020
CHANGE OF MAILING ADDRESS (Filed on the Web)	25-Nov-2020	
COMPLIANCE STATUS - DEFAULT	20-Sep-2021	
ANNUAL RETURN (Filed on the Web)	17-May-2022	2021
ANNUAL RETURN (Filed on the Web)	12-Aug-2022	2022
ANNUAL RETURN (Filed on the Web)	03-Aug-2023	2023
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	

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The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

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File Summary

Registry No : 10026923  
Entity Name : 10026923 MANITOBA LTD.

As of : 09-Nov-2023

Entity Name : 10026923 MANITOBA LTD.  
Registry No : 10026923  
Business No : 729778084MC0001  
Current Status : Active

Entity Type : BUSINESS CORPORATION  
Entity Sub Type : MB SHARE CORPORATION

Incorp/Amalg Date : 20-Oct-2018  
Home Jurisdiction : MANITOBA  
Annual Return/Renewal Date : 30-Nov-2023  
Year of Last A/R - Renewal : 2022  
Nature of Business : MISCELLANEOUS SERVICES  
NAICS Code : 551113

**Registered Office Address :**

Effective date, if changing address : 20-Oct-2018  
Address : MLT AIKINS LLP, 30TH FLOOR-360 MAIN ST, 30TH FLOOR-360 MAIN ST  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Mailing Address :**

Name :  
Address : MLT AIKINS LLP, 30TH FLOOR, 360 MAIN STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3C 4G1

**Director Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3

**Officer Information :**

Name : DAERDEN, SHANE  
Address : 371 NIAGARA STREET  
City/Province : WINNIPEG, MB  
Country/Postal Code : CANADA, R3N 0V3  
Position Held as Officer : PRESIDENT, SECRETARY & TREASURER

**Shareholders Information (holders of 10% or more of Issued Voting Shares) :**

Firm Name : COLLISION KINGS GROUP INC.  
Class Name : COMMON

Shares Held : 10.00

---

**Share Structure :**

<b>Class</b>	<b>Authorized Number</b>
COMMON	UNLIMITED

Shares are distributed to the public : No

---

**Event History :**

<b>Event</b>	<b>Date :</b>	<b>Filing Year :</b>
INCORPORATION (Filed on the Web)	20-Oct-2018	
HUB: ASSIGN BN	20-Oct-2018	
COMPLIANCE STATUS - DEFAULT	23-Dec-2019	
ANNUAL RETURN (Filed on the Web)	14-Aug-2020	2019
COMPLIANCE STATUS - DEFAULT	21-Dec-2020	
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2020
COMPLIANCE STATUS - DEFAULT	20-Dec-2021	
ANNUAL RETURN (Filed on the Web)	23-Sep-2022	2021
ANNUAL RETURN (Filed on the Web)	21-Nov-2022	2022
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	

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The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

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Print Close View Charges Return to Search



## File Summary

**Registry No :** 10030143  
**Entity Name :** NICK'S REPAIR SERVICE LTD.

As of : 18-Dec-2023

**Entity Name :** NICK'S REPAIR SERVICE LTD.  
**Registry No :** 10030143  
**Business No :** 103881603MC0002  
**Current Status :** Active (New Amalgamated)

**Entity Type :** BUSINESS CORPORATION  
**Entity Sub Type :** MB SHARE CORPORATION

**Incorp/Amalg Date :** 01-Dec-2018  
**Home Jurisdiction :** MANITOBA  
**Annual Return/Renewal Date :** 31-Jan-2024  
**Year of Last A/R - Renewal :** 2022  
**Nature of Business :** MOTOR VEHICLE REPAIR SHOP  
**NAICS Code :** 8111

**Registered Office Address :**

**Effective date, if changing address :** 01-Dec-2018  
**Address :** MLT AIKINS LLP, 30TH FLOOR-360 MAIN ST, 30TH FLOOR-360 MAIN ST  
**City/Province :** WINNIPEG, MB  
**Country/Postal Code :** CANADA, R3C 4G1

**Mailing Address :**

**Name :** MLT AIKINS LLP  
**Address :** 30TH FLOOR, 360 MAIN STREET  
**City/Province :** WINNIPEG, MB  
**Country/Postal Code :** CANADA, R3C 4G1

**Director Information :**

**Name :** DAERDEN, SHANE  
**Address :** 371 NIAGARA STREET  
**City/Province :** WINNIPEG, MB  
**Country/Postal Code :** CANADA, R3N 0V3

**Officer Information :**

**Name :** DAERDEN, SHANE  
**Address :** 371 NIAGARA STREET  
**City/Province :** WINNIPEG, MB  
**Country/Postal Code :** CANADA, R3N 0V3  
**Position Held as Officer :** PRESIDENT, SECRETARY & TREASURER

**Shareholders Information (holders of 10% or more of Issued Voting Shares) :**

**Firm Name :** COLLISION KINGS GROUP INC.  
**Class Name :** Common



Shares Held : 100.00

**Share Structure :**

Class	Authorized Number
Common	UNLIMITED

Shares are distributed to the public : No

**Corporations involved to form Amalgamation :**

Registry No : 546799  
 Entity Name : NICK'S REPAIR SERVICE LTD.  
 Registry No : 10026922  
 Entity Name : 10026922 MANITOBA LTD.

**Event History :**

<u>Event</u>	<u>Date :</u>	<u>Filing Year :</u>
AMALGAMATION	01-Dec-2018	
REQUEST BN15 FOR AMALGAMATION SUCCESSOR	09-Jan-2019	
HUB: ASSIGN BN15 FOR BN	09-Jan-2019	
COMPLIANCE STATUS - DEFAULT	24-Feb-2020	
COMPLIANCE STATUS - NOTICE	14-Dec-2020	
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2019
ANNUAL RETURN (Filed on the Web)	17-Feb-2021	2020
ANNUAL RETURN (Filed on the Web)	02-Feb-2022	2021
ANNUAL RETURN (Filed on the Web)	25-Jan-2023	2022
CHANGE OF MAILING ADDRESS (Filed on the Web)	10-Oct-2023	

The accuracy of this information is not guaranteed. In particular, it is possible that certain filings have been received which have not yet been updated onto the system. You should consult original documents or obtain appropriate certificates when you need to be certain of information.

**THIS IS EXHIBIT "67" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**FORBEARANCE AMENDING AGREEMENT**

**THIS FORBEARANCE AMENDING AGREEMENT** (the “**First Amending Agreement**”) is dated effective this 11<sup>th</sup> day of January, 2024

**AMONG:**

**The Toronto-Dominion Bank  
(the "Lender")**

**-and-**

**CMD Holdings Inc.  
("CMD Holdings")**

**-and-**

**East Lake Collision Ltd.  
("East Lake")**

**-and-**

**Mayland Heights Collision Ltd.  
("Mayland")**

**-and-**

**Sunridge Collision Ltd.  
("Sunridge")**

**-and-**

**2199931 Alberta Ltd.  
("219 AB")**

**-and-**

**Collision Kings 3 Ltd.  
("Kings 3")**

**-and-**

**Arrow Auto Body Ltd.  
("Arrow")**

**-and-**

**CMD Glass Ltd.  
("CMD Glass")**

**-and-**

**Royal Vista Collision Ltd.**  
**(“Royal Vista”)**

**-and-**

**Stathko Investments Ltd.**

**-and-**

**Shane Daerden**  
**(“Shane”)**

(the foregoing being the **“Parties”** and each a **“Party”**, and the Parties, excepting the Lender, collectively being the **“Loan Parties”** and each a **“Loan Party”**).

**WHEREAS:**

- A. the Lender, on the first part, and the Loan Parties, on the second part, are party to a Forbearance Agreement, dated December 22, 2023 (the **“Forbearance Agreement”**);
- B. the Loan Parties have defaulted in their obligations under the Forbearance Agreement and are in default of the Forbearance Agreement, including but not limited to, by failing to meet the reporting requirements and Milestone Covenants under the Forbearance Agreement;
- C. the Loan Parties have advised the Lender that additional liquidity is required to meet payroll and cashflow obligations to continue its operations; and
- D. the Loan Parties have requested from the Lender: (i) additional availability under the Forbearance Bulge; and (ii) an extension of certain Milestone Covenants. The Lender has agreed to amend those obligations on and subject to the terms set out in this First Amending Agreement.

**NOW THEREFORE** in consideration of the mutual covenants set forth in this First Amending Agreement and the sum of \$1.00 paid by and to the Lender to and from each of the Loan Parties (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

**ARTICLE 1**  
**DEFINED TERMS AND GENERAL**

- 1.1 Defined Terms.** Capitalized terms used in this First Amending Agreement but not defined herein are ascribed the meaning given them in the Forbearance Agreement.
- 1.2 No Amendment.** Except as expressly modified or amended herein, nothing in this First Amending Agreement is intended to alter, modify, or limit, the existence, terms, or effectiveness of any agreement between the Lender and any of the parties hereto, including, without limitation, the Forbearance Agreement, the Facility Documents, the Guarantees, and the Security.
- 1.3 Entire Agreement.** this First Amending Agreement, together with the Forbearance Agreement, represents the entire agreement among the parties with respect to the matters provided for herein.

- 1.4 **Writing.** Any changes or variations made to this First Amending Agreement are only effective if made in writing and signed by all parties.
- 1.5 **Governing Law.** This First Amending Agreement shall be governed by the laws of the Province of Alberta and the Parties hereby attorn to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in the judicial district of Calgary.
- 1.6 **Conflict.** In the event that there is any conflict between the provisions of this First Amending Agreement and the Loan Documents, the provisions of this First Amending Agreement shall govern to the extent of the conflict.
- 1.7 **Time of the Essence.** Time shall be of the essence in this First Amending Agreement.
- 1.8 **Successors and Assigns.** This First Amending Agreement shall be binding and enure to the benefit of each of the Parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 1.9 **Assignment.** The Loan Parties shall not assign any of their rights or obligations hereunder or thereunder, as the case may be, without the prior written consent of the Lender (which consent may be arbitrarily withheld). The Lender may, in its absolute discretion, assign, without notice to the Loan Parties and without the consent of the Loan Parties, to an assignee of its own choosing all or any interest of the Lender in this First Amending Agreement, and any document, security, Judgment or Court Order granted or arising pursuant to this First Amending Agreement.
- 1.10 **Counterparts.** This First Amending Agreement maybe executed in counterparts and delivered electronically. Each counterpart will be binding as against each signatory or signatories as reflected, regardless of when signatures of all parties are ultimately obtained and collated. Each executed counterpart shall constitute a binding First Amending Agreement and all executed counterparts, when taken together, shall constitute one First Amending Agreement.
- 1.11 **Electronic Signatures and Electronic Delivery.** The Parties agree that the electronic signatures, whether digital or encrypted, of the parties included in this First Amending Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this First Amending Agreement by facsimile or electronic transmission constitutes valid and effective delivery.

## **ARTICLE 2**

### **AMENDMENTS TO FORBEARANCE AGREEMENT**

- 2.1 Paragraph 4.4 of the Forbearance Agreement is hereby deleted in its entirety and replaced with the following:
- “4.4 **Bulge.** The Loan Parties acknowledge and agree that the Lender has provided additional liquidity under the credit facilities by way of the following bulge facility:
- (a) concurrent with anticipated execution of this Agreement, the bulge, at the sole discretion of the Lender shall be made available, changing the total Operating Line limit (as defined in the Facility Documents), as follows:

- A. \$2,850,000 from execution of this Agreement to December 31, 2023;
- B. increasing to \$3,150,000 from January 1, 2024 to January 10, 2024;
- C. increasing to \$3,450,000 from January 11, 2024 to January 31, 2024.

(the “**Forbearance Bulge**”). The Facility Documents are hereby amended to include this Forbearance Bulge.”

**2.2** Paragraph 4.5(b) is hereby deleted in its entirety and replaced with the following:

“(b) by January 17, 2024, a fully executed Letter of Intent from the Lift Auto Group (the “**Lift Group**”) evidencing their intention to enter a transaction with the Loan Parties, satisfactory to the Lender;”

**2.3** Paragraph 4.5(d) is hereby deleted in its entirety and replaced with the following:

“(d) by January 29, 2024, a purchase and sale agreement with the Lift Group, in form and substance satisfactory to the Lender;”

### **ARTICLE 3** **FORBEARANCE FEE**

**3.1** **Additional Forbearance Fee.** In consideration of this First Amending Agreement, and in no way limiting the obligation of the Loan Parties under the Forbearance Agreement, including, without limitation, the \$40,000 forbearance fee in paragraph 5.1 of the Forbearance Agreement, the Loan Parties covenant and agree that the sum of \$40,000, as a further forbearance fee to be paid to the Lender (the “**Additional FF**”). The Loan Parties agree that the Additional FF shall be deemed to have been earned upon execution of this First Amending Agreement and paid as follows: (i) \$20,000 payable upon execution of this First Amending Agreement, to be deducted by the Lender from any of the Loan Parties’ accounts held with the Lender; and (ii) \$20,000 payable on the earlier of a Termination Event or the date of full repayment of the Indebtedness. The Additional FF shall be part of the Indebtedness, subject to the Loan Documents, and secured by the Security.

### **ARTICLE 4** **REPRESENTATIONS AND WARRANTIES**

**4.1** **Representations and Warranties of the Loan Parties.** All of the representations and warranties given by the Loan Parties in the Forbearance Agreement continue to be true as of the date of this First Amending Agreement. The said representations and warranties shall survive the execution and delivery of this First Amending Agreement notwithstanding any investigations or examinations which may be made by or on behalf of the Lender, and the representations and warranties in connection with the Loan Documents shall survive until the Loan Documents have been terminated in accordance with their respective terms.

**ARTICLE 5**  
**ACKNOWLEDGEMENTS and NON-WAIVER**

- 5.1 Indebtedness.** The Indebtedness, as of January 11, 2024, is \$12,902,983.21 which continues to accrue interest and costs, including all ongoing professional fees, charges and costs for which the Loan Parties are liable.
- 5.2 Default.** The Loan Parties acknowledge and agree that they are in violation of the Forbearance Agreement, including among others, by failing to provide, by the date required under the Forbearance Agreement or at all, the information and/or documents required by Article 4.5 (a), (b), (d). For clarity, the Lender has not, and shall not be deemed to have, waived any defaults of the Loan Parties and expressly reserves its rights in respect of all defaults of the Loan Parties, including its rights, remedies, and powers under its agreements with the Loan Parties and otherwise at law.
- 5.3 Non-waiver.** This Forbearance Amendment Agreement shall not indicate a waiver of or acquiescence to any known or unknown defaults in respect of the Facility Documents, the Guarantees, the Security, or the Forbearance Agreement, including but not limited to any Termination Event under the Forbearance Agreement.
- 5.4 Legal Advice.** The Loan Parties hereby acknowledge receiving all information and advice that they require, including legal advice, related to this First Amending Agreement and, in this regard: (i) acknowledge receiving valuable consideration (the adequacy and sufficiency of which is specifically acknowledged) for their obligations hereunder, (ii) acknowledge and consent to this First Amending Agreement, (iii) agree to be bound by the provisions of this First Amending Agreement, and (iv) agree that if the Lender fails to insist upon strict performance or observance of the requirements of its rights set forth in this First Amending Agreement, or waives or amends any such requirements, such action shall not prejudice the Lender's rights under any or all of the Loan Documents and Security granted by the Loan Parties favour of the Lender.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have executed these presents effective the date first above written.

**The Toronto-Dominion Bank**

Per: 

Name: **Brandon Novak**

Title: **Account Manager**

I have authority to bind the corporation.

Per: 

Name: **Taunja Byers**

Title: **Manager Commercial Credit**

I have authority to bind the corporation.

**East Lake Collision Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Sunridge Collision Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Stathko Investments Ltd.**

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

**CMD Holdings Inc.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I have authority to bind the corporation.

**Royal Vista Collision Ltd.**

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



**IN WITNESS WHEREOF** the parties hereto have executed these presents effective the date first above written.

**The Toronto-Dominion Bank**

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

Name:

Title:

I have authority to bind the corporation.

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

Name:

Title:

I have authority to bind the corporation.

**East Lake Collision Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Sunridge Collision Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Stathko Investments Ltd.**

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

**CMD Holdings Inc.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Royal Vista Collision Ltd.**

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

\_\_\_\_\_  
Name: Shane Daerden

Title:

I have authority to bind the corporation.

\_\_\_\_\_  
Name: Shane Daerden

Title:

I have authority to bind the corporation.

**CMD Glass Ltd.**

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

Name: Shane Daerden

Title:

I have authority to bind the corporation.

**Shane Daerden**

By SKR  
\_\_\_\_\_

Witness: \_\_\_\_\_

Name: \_\_\_\_\_







# Forbearance Amending Agreement - CMD - January 11 2024 - Execution Copy

Final Audit Report


2024-01-12

Created:	2024-01-11
By:	Chris Nyberg (cnyberg@mltaikins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsQmsDwX9R4POQ5rH5S2nUKtzSbcJ0qrf

## "Forbearance Amending Agreement - CMD - January 11 2024 - Execution Copy" History

-  Document created by Chris Nyberg (cnyberg@mltaikins.com)  
2024-01-11 - 11:53:33 PM GMT
-  Document emailed to shane@collisionkings.ca for signature  
2024-01-11 - 11:56:21 PM GMT
-  Email viewed by shane@collisionkings.ca  
2024-01-12 - 0:07:48 AM GMT
-  Signer shane@collisionkings.ca entered name at signing as Shane Daerden  
2024-01-12 - 0:08:53 AM GMT
-  Document e-signed by Shane Daerden (shane@collisionkings.ca)  
Signature Date: 2024-01-12 - 0:08:55 AM GMT - Time Source: server
-  Agreement completed.  
2024-01-12 - 0:08:55 AM GMT

**THIS IS EXHIBIT "68" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**FORBEARANCE EXTENSION AND AMENDING AGREEMENT**

**THIS FORBEARANCE EXTENSION AND AMENDING AGREEMENT** (the “**Second Amending Agreement**”) is dated effective this \_\_\_\_ day of January, 2024 (the “**Effective Date**”),

**AMONG:**

**The Toronto-Dominion Bank  
(the "Lender")**

**-and-**

**CMD Holdings Inc.  
("CMD Holdings")**

**-and-**

**East Lake Collision Ltd.  
("East Lake")**

**-and-**

**Mayland Heights Collision Ltd.  
("Mayland")**

**-and-**

**Sunridge Collision Ltd.  
("Sunridge")**

**-and-**

**219931 Alberta Ltd.  
("219 AB")**

**-and-**

**Collision Kings 3 Ltd.  
("Kings 3")**

**-and-**

**Arrow Auto Body Ltd.  
("Arrow")**

**-and-**

**CMD Glass Ltd.  
("CMD Glass")**

**-and-**

**Royal Vista Collision Ltd.  
("Royal Vista")**

**-and-**

**Stathko Investments Ltd.**

**-and-**

**Shane Daerden  
("Shane")**

(the foregoing being the "**Parties**" and each a "**Party**", and the Parties, excepting the Lender, collectively being the "**Loan Parties**" and each a "**Loan Party**").

**WHEREAS:**

- A. the Lender, on the first part, and the Loan Parties, on the second part, are party to a Forbearance Agreement, dated December 22, 2023, as amended pursuant to a Forbearance Amending Agreement, dated January 11, 2024 (collectively, the "**Forbearance Agreement**");
- B. the Forbearance Agreement will terminate due to the effluxion of time on the Forbearance Date, which is defined in the Forbearance Agreement as January 31, 2024;
- C. the Forbearance Agreement provides that if, in the Lender's sole and unfettered discretion, the Lender determines an extension of the Forbearance Date is warranted, the Lender may provide in writing to the Loan Parties the Lender's confirmation of its agreement to an extension and the date and time the Forbearance Date has been extended to;
- D. the Loan Parties have defaulted in their obligations under the Forbearance Agreement and are in default of the Forbearance Agreement, including but not limited to, by failing to meet the reporting requirements and Milestone Covenants under the Forbearance Agreement;
- E. the Loan Parties have advised the Lender that additional liquidity is required to meet payroll and cashflow obligations to continue its operations; and
- F. the Loan Parties have requested from the Lender: (i) additional availability under the Forbearance Bulge; and (ii) an extension the Forbearance Date. The Lender has agreed to amend those obligations on and subject to the terms set out in this Second Amending Agreement.

**NOW THEREFORE** in consideration of the mutual covenants set forth in this Second Amending Agreement and the sum of \$1.00 paid by and to the Lender to and from each of the Loan Parties (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

**ARTICLE 1  
DEFINED TERMS AND GENERAL**

- 1.1 Defined Terms.** Capitalized terms used in this Second Amending Agreement but not defined herein are ascribed the meaning given them in the Forbearance Agreement.

- 1.2 **No Amendment.** Except as expressly modified or amended herein, nothing in this Second Amending Agreement is intended to alter, modify, or limit, the existence, terms, or effectiveness of any agreement between the Lender and any of the parties hereto, including, without limitation, the Forbearance Agreement, the Facility Documents, the Guarantees, and the Security.
- 1.3 **Entire Agreement.** this Second Amending Agreement, together with the Forbearance Agreement, represents the entire agreement among the parties with respect to the matters provided for herein.
- 1.4 **Writing.** Any changes or variations made to this Second Amending Agreement are only effective if made in writing and signed by all parties.
- 1.5 **Governing Law.** This Second Amending Agreement shall be governed by the laws of the Province of Alberta and the Parties hereby attorn to the non-exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in the judicial district of Calgary.
- 1.6 **Conflict.** In the event that there is any conflict between the provisions of this Second Amending Agreement and the Loan Documents, the provisions of this Second Amending Agreement shall govern to the extent of the conflict.
- 1.7 **Time of the Essence.** Time shall be of the essence in this Second Amending Agreement.
- 1.8 **Successors and Assigns.** This Second Amending Agreement shall be binding and enure to the benefit of each of the Parties hereto and their respective heirs, executors, administrators, successors, and assigns.
- 1.9 **Assignment.** The Loan Parties shall not assign any of their rights or obligations hereunder or thereunder, as the case may be, without the prior written consent of the Lender (which consent may be arbitrarily withheld). The Lender may, in its absolute discretion, assign, without notice to the Loan Parties and without the consent of the Loan Parties, to an assignee of its own choosing all or any interest of the Lender in this Second Amending Agreement, and any document, security, Judgment or Court Order granted or arising pursuant to this Second Amending Agreement.
- 1.10 **Counterparts.** This Second Amending Agreement maybe executed in counterparts and delivered electronically. Each counterpart will be binding as against each signatory or signatories as reflected, regardless of when signatures of all parties are ultimately obtained and collated. Each executed counterpart shall constitute a binding Second Amending Agreement and all executed counterparts, when taken together, shall constitute one Second Amending Agreement.
- 1.11 **Electronic Signatures and Electronic Delivery.** The Parties agree that the electronic signatures, whether digital or encrypted, of the parties included in this Second Amending Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this Second Amending Agreement by facsimile or electronic transmission constitutes valid and effective delivery.

## ARTICLE 2

### EXTENSION OF FORBEARANCE DATE AND AMENDMENTS TO FORBEARANCE AGREEMENT

2.1 The Forbearance Date, as defined in paragraph 2.2(g) of the Forbearance Agreement, is hereby extended and amended to be 4:00 p.m. (Calgary Time) on February 8, 2024.

2.2 Paragraph 4.4 of the Forbearance Agreement is hereby deleted in its entirety and replaced with the following:

“4.4 **Bulge.** The Loan Parties acknowledge and agree that the Lender has provided additional liquidity under the credit facilities by way of the following bulge facility:

(a) concurrent with anticipated execution of this Agreement, the bulge, at the sole discretion of the Lender shall be made available, changing the total Operating Line limit (as defined in the Facility Documents), as follows:

A. \$2,850,000 from execution of this Agreement to December 31, 2023;

B. increasing to \$3,150,000 from January 1, 2024 to January 10, 2024;

C. increasing to \$3,450,000 from January 11, 2024 to January 25, 2024;

D. increasing to \$4,000,000 from January 26, 2024 to February 8, 2024.

(the “**Forbearance Bulge**”). The Facility Documents are hereby amended to include this Forbearance Bulge.”

2.3 Paragraph 4.6 of the Forbearance Agreement is hereby deleted in its entirety and replaced with the following:

“4.6 **Deferral.** The Lender shall, at its sole discretion, be entitled to defer all principal and interest payments due and owing from the Loan Parties to the Lender pursuant to the Facility Documents, for the months of December 2023, January 2024 and February 2024 (the “**Deferred Payments**”). In the event that such deferral is granted, the Deferred Payments shall be due and owing as of February 8, 2024.”

## ARTICLE 3

### REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of the Loan Parties.** All of the representations and warranties given by the Loan Parties in the Forbearance Agreement continue to be true as of the date of this Second Amending Agreement. The said representations and warranties shall survive the execution and delivery of this Second Amending Agreement notwithstanding any investigations or examinations which may be made by or on behalf of the Lender, and the representations and warranties in connection with the Loan Documents shall survive until the Loan Documents have been terminated in accordance with their respective terms.



**ARTICLE 4**  
**ACKNOWLEDGEMENTS and NON-WAIVER**

- 4.1 Default.** The Loan Parties acknowledge and agree that they are in violation of the Forbearance Agreement, including among others, by failing to provide, by the date required under the Forbearance Agreement or at all, the information and/or documents required by Article 4. For clarity, the Lender has not, and shall not be deemed to have, waived any defaults of the Loan Parties and expressly reserves its rights in respect of all defaults of the Loan Parties, including its rights, remedies, and powers under its agreements with the Loan Parties and otherwise at law.
- 4.2 Non-waiver.** This Second Amending Agreement shall not indicate a waiver of or acquiescence to any known or unknown defaults in respect of the Facility Documents, the Guarantees, the Security, or the Forbearance Agreement, including but not limited to any Termination Event under the Forbearance Agreement.
- 4.3 Legal Advice.** The Loan Parties hereby acknowledge receiving all information and advice that they require, including legal advice, related to this Second Amending Agreement and, in this regard: (i) acknowledge receiving valuable consideration (the adequacy and sufficiency of which is specifically acknowledged) for their obligations hereunder, (ii) acknowledge and consent to this Second Amending Agreement, (iii) agree to be bound by the provisions of this Second Amending Agreement, and (iv) agree that if the Lender fails to insist upon strict performance or observance of the requirements of its rights set forth in this Second Amending Agreement, or waives or amends any such requirements, such action shall not prejudice the Lender's rights under any or all of the Loan Documents and Security granted by the Loan Parties favour of the Lender.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the parties hereto have executed this Second Amending Agreement as of the Effective Date.

**The Toronto-Dominion Bank**

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

Name:

Title:

I have authority to bind the corporation.


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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**CMD Holdings Inc.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**East Lake Collision Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Sunridge Collision Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

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

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Stathko Investments Ltd.**

Per: Sh Daerden

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Royal Vista Collision Ltd.**

Per: Sh Daerden

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**CMD Glass Ltd.**

Per: Sh Daerden

Name: Shane Daerden

Title: President

I have authority to bind the corporation.

**Shane Daerden**

By Sh Daerden

Shane Daerden

Witness: Mark Jones

Name: Mark Jones

**AFFIDAVIT OF EXECUTION**

CANADA ) I, \_\_\_\_\_,  
 ) of the \_\_\_\_\_ of \_\_\_\_\_,  
PROVINCE OF ALBERTA )  
 ) in the Province of Alberta,  
TO WIT: ) MAKE OATH AND SAY:  
 )

- 1. I was personally present and did see Shane Daerden, named in the within Forbearance Amending Agreement, who on the basis of identification provided to me I believe to be the person named therein, duly sign and execute the same.
- 2. That the same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, and that I am the subscribing witness thereto.
- 3. That I believe the person whose signature I witnessed is at least the full age of eighteen (18) years.

Sworn before me at \_\_\_\_\_, )  
in the Province of \_\_\_\_\_, this )  
\_\_\_\_\_ day of \_\_\_\_\_, 2024. )  
 )  
 )  
 )  
 )  
 )

\_\_\_\_\_  
A Commissioner for Oaths in and for  
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(print name of witness)

THIS IS EXHIBIT "69" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.



---

Kaitlin Ward, Barrister & Solicitor



**Management Liability**  
Insurance Policy

## Policy Declarations

---

All words in bold within the **Policy** or these **Declarations** shall have meaning given to them in Section 9. of this **Policy** entitled Definitions. **Your attention is drawn to General Terms & Conditions, Section 6. Reporting – Condition Precedent. NON-COMPLIANCE WITH THIS PROVISION MAY PREVENT RECOVERY UNDER THIS POLICY.**

Policy Number: FL-001037  
Issuance Date: December 14, 2023

**Named Organization:** Collision Kings Group Inc.  
**Mailing Address:** 171 Waterloo Street, Winnipeg, MB R3N 0S4

**Policy Period:** From: September 28, 2023 To: September 28, 2024  
(12:01am local time at the Mailing Address of the Named Insured)

**Policy Aggregate Limit:** \$3,000,000 in the Annual Aggregate

**Included Coverage Sections:**

- Directors' and Officers' Liability
- Employment Practices Liability
- Fiduciary Liability

**Extended Reporting Period:** 6 Years at 250% of the Annual Premium

Policy Premium: \$20,000  
Policy Fee: \$1,500  
Total Amount Payable: \$21,500  CAD  USD

**Broker:** Mark James  
**Brokerage:** HUB International (Winnipeg)

These **Declarations**, the attached **Policy** terms and conditions and the endorsement(s) referred to in the Schedule of Policy Wordings and Endorsements, and the applicable **Application** constitute the entire **Policy**.

---

**SCHEDULE OF COVERAGES**

INSURANCE IS AFFORDED ONLY WITH RESPECT TO THOSE COVERAGES SPECIFIED BY A LIMIT IN THE SCHEDULES INCORPORATED HEREIN:

**Policy Coverage**

---

**Directors' and Officers' Liability Coverage Section**

**Insuring Agreements:**

	<b>Limit</b> per Claim	<b>Retention</b>
Directors' and Officers' Liability	\$3,000,000	Nil.
Named Organization Indemnification	\$3,000,000	\$10,000
Insured Organization Liability	\$3,000,000	\$10,000
Employment Practices Liability (for Insured Persons)	\$3,000,000	\$10,000
Outside Directorship Liability	\$3,000,000	\$10,000

**Coverage Extensions:**

Investigative Costs	\$100,000	\$10,000
Inquiry Costs	\$100,000	\$10,000
Side A Excess	\$1,000,000	

**Pending and Prior Litigation Date:** October 25, 2021

**Employment Practices Liability Coverage Section**

**Insuring Agreements:**

Employment Practices Liability	\$3,000,000	\$25,000
Third-Party Coverage	\$3,000,000	\$25,000

**Pending and Prior Litigation Date:** October 25, 2021



## LIMIT SUMMARY

Coverage Section	Shared Limit of Liability	Separate Limit of Liability
Directors' and Officers' Liability	\$3,000,000	n/a
Employment Practices Liability	\$3,000,000	n/a
Fiduciary Liability	n/a	n/a

## SCHEDULE OF POLICY WORDINGS AND ENDORSEMENTS

No.	Form Name	Form ID
	Claim Notification	STDWFLC-01
	Code of Consumer Rights and Responsibilities	STDW100-01
	Complaints Resolution Process	STDW200-01
	Several Liability Notice	STDW300-01
	General Terms and Conditions	MLIW001-01
	Directors' and Officers' Liability Coverage Section	MLIW002-01
	Employment Practices Liability Coverage Section	MLIW003-01
1	Cyber Liability Exclusion	MLIE002-01
2	Absolute BI/PD Exclusion	MLIE006-01
3	Franchise Exclusion	Manuscript
4	Workplace Violence Costs Endorsement - \$100,000 Sub-Limit	MLIE003-01

## SECURITY

Insurer	Participation	Premium Allocation
The Sovereign General Insurance Company	100%	\$20,000

Authorized Representative  
TruStar Underwriting Inc.

December 14, 2023

Countersignature Date



## Notification

TruStar Underwriting Inc. and its partners are renowned for, and dedicated to, providing prompt, courteous and equitable underwriting and claims services.

All **Claim** notices are to be reported to TruStar's Financial Lines Claims Team at:

[flclaims@trustar.ca](mailto:flclaims@trustar.ca)

Should you have any questions or concerns about our service quality, please contact:

**Ryan R. Seager**  
Head of Operations

[ryan.seager@trustar.ca](mailto:ryan.seager@trustar.ca)  
+1 (647) 795-8128

## Code of Consumer Rights and Responsibilities

Insurers (including Lloyd's Underwriters), along with the brokers and agents who sell home, auto and business insurance are committed to safeguarding your rights both when you shop for insurance and when you submit a claim following a loss. Your rights include the right to be informed fully, to be treated fairly, to timely complaint resolution, and to privacy. These rights are grounded in the contract between you and your insurer and the insurance laws of your province. With rights, however, come responsibilities including, for example, the expectation that you will provide complete and accurate information to your insurer. Your policy outlines other important responsibilities. Insurers and their distribution networks, and governments also have important roles to play in ensuring that your rights are protected.

### Right to Be Informed

You can expect to access clear information about your policy, your coverage, and the claims settlement process. You have the right to an easy-to-understand explanation of how insurance works and how it will meet your needs. You also have a right to know how insurers calculate price based on relevant facts. Under normal circumstances, insurers will advise an insurance customer or the customer's intermediary of changes to, or the cancellation of a policy within a reasonable prescribed period prior to the expiration of the policy, if the customer provides information required for determining renewal terms of the policy within the time prescribed, which could vary by province, but is usually 45 days prior to expiry of the policy.

You have the right to ask who is providing compensation to your broker or agent for the sale of your insurance. Your broker or agent will provide information detailing for you how he or she is paid, by whom, and in what ways.

You have a right to be told about insurers' compensation arrangements with their distribution networks. You have a right to ask the broker or agent with whom you deal for details of how and by whom it is being paid. Brokers and agents are committed to providing information relating to ownership, financing, and other relevant facts.

### Responsibility to Ask Questions and Share Information

To safeguard your right to purchase appropriate coverage at a competitive price, you should ask questions about your policy so that you understand what it covers and what your obligations are under it. You can access information through one-on-one meetings with your broker or agent. You have the option to shop the marketplace for the combination of coverages and service levels that best suits your insurance needs. To maintain your protection against loss, you must promptly inform your broker or agent of any change in your circumstances.

### Right to Complaint Resolution

Insurers, their brokers and agents are committed to high standards of customer service. If you have a complaint about the service you have received, you have a right to access Lloyd's Underwriters' complaint resolution process for Canada. Your agent or broker can provide you with information about how you can ensure that your complaint is heard and promptly handled. Consumers may also contact their respective provincial insurance regulator for information. Lloyd's is a member of an independent complaint resolution office, the General Insurance Ombudservice (GIO).

### Responsibility to Resolve Disputes

You should always enter into the dispute resolution process in good faith, provide required information in a timely manner, and remain open to recommendations made by independent observers as part of that process.

### Right to Professional Service

You have the right to deal with insurance professionals who exhibit a high ethical standard, which includes acting with honesty, integrity, fairness and skill. Brokers and agents must exhibit extensive knowledge of the product, its coverages and its limitations in order to best serve you.

### Right to Privacy

Because it is important for you to disclose any and all information required by an insurer to provide the insurance coverage that best suits you, you have the right to know that your information will be used for the purpose set out in the privacy statement made available to you by your broker, agent or insurance representative. This information will not be disclosed to anyone except as permitted by law. You should know that Lloyd's Underwriters are subject to Canada's privacy laws - with respect to their business in Canada.



## Complaints Resolution Process

### Your satisfaction is important to us.

If you are unhappy with a product or the level of service you have received from TruStar, our ombudsperson will try to resolve the situation by acting as a liaison between you and the business unit where the complaint originated.

To ensure that your escalation is handled as efficiently and as fairly as possible, please follow these steps:

1. Involve your broker. They can act on your behalf as an intermediary between the company and yourself. Or, you can always involve the supervisor of the representative you are dealing with.
2. Should your escalation not be handled to your satisfaction, you can call TruStar's Ombudsman, who will try to resolve the situation by acting as a liaison between you and the business unit where the escalation originated.
3. Should your concerns not be addressed as you see fit, you can consult with your province's government complaint office. At this point, you will have received a Final Position Letter from TruStar that includes the pertinent information to do so.

Contact the Office of the Ombudsperson at:

TruStar Underwriting Inc.  
Attention: Complaints  
First Canadian Place, 100 King Street West, Suite 2910, Toronto, ON M5X 1A9

Email: [complaints@trustar.ca](mailto:complaints@trustar.ca)  
Telephone: +1 (647) 660-3118

### Independent assistance: General Insurance Ombudservice

If we are unable to reach a satisfactory resolution to your particular issue, we will send you a final position letter stating TruStar's final decision on the issue.

If you wish to pursue the matter further, you may contact the General Insurance Ombudservice (GIO) which helps resolve conflicts between insurance companies and their customers, for home, automobile and business insurance issues.

GIO uses neutral and professional mediators and experienced customer service officers to reach a solution that is in the best interest of customers and their insurance companies, in a fair, independent and impartial environment.

The GIO does not provide compensation or monetary award and its services are non-binding. For more information, visit [www.giocanada.org](http://www.giocanada.org)



## Several Liability Notice

The subscribing Insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent to their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer who for any reason does not satisfy all or part of its obligations.



## Statutory and General Conditions

The following Statutory and General Conditions, as modified or supplemented by the attached forms or endorsements, apply to all perils insured by this Policy for the provinces indicated, as they may apply.

### APPLICABLE TO ALL PROVINCES (EXCEPT FOR ALBERTA, BRITISH COLUMBIA AND QUEBEC)

#### 1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer; or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

#### 2. Property of Others

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.

#### 3. Change of Interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

#### 4. Material Change

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

#### 5. Termination

- 1) This contract may be terminated:
  - a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days written notice of termination personally delivered;
  - b) by the Insured at any time on request.
- 2) When this contract is terminated by the Insurer;
  - a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
  - b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- 3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 4) The refund may be made by money, postal or express company money order or cheque payable at par.
- 5) The fifteen days mentioned in Clause a) of Section 1) of this Statutory Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

#### 6. Requirements After Loss

- 1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Conditions 9, 10 and 11.
  - a) forthwith give notice thereof in writing to the Insurer;
  - b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - i. giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
    - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
    - iii. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
    - iv. showing the amount of other insurances and the names of other Insurers;

- v. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property;
  - vi. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
  - vii. showing the place where the insured property was located at the time of loss or damage;
  - c) if required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
  - d) if required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- 2) The evidence furnished under Clauses b), c) and d) of Section 1) this Statutory Condition shall not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## **7. Fraud**

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars, vitiates the claim of the person making the declaration.

## **8. Who May Give Notice and Proof**

In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given and the proof of loss may be made by a person to whom any part of the insurance money is payable.

## **9. Salvage**

- 1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.
- 2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under Section (1) of this Statutory Condition.

## **10. Entry, Control, Abandonment**

After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.

## **11. Appraisal**

In the event of disagreement as to the value of the insured property or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the Insurance Act before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.

## **12. When Loss Payable**

The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.

## **13. Replacement**

- 1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty days after receipt of the proof of loss.
- 2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.

## **14. Action**

Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.

## **15. Notice**

Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail

addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this Statutory Condition, the expression "registered" means registered in or outside Canada.

## APPLICABLE TO ALBERTA AND BRITISH COLUMBIA

### 1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer; or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### 2. Property of Others

The insurer is not liable for loss or damaged to property owned by a person other than the insured unless:

- 1) otherwise specifically stated in the contract, or
- 2) the interest of the insured in that property is stated in the contract.

### 3. Change of Interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or change of title by succession, by operation of law, or by death.

### 4. Material Change in Risk

- 1) The insured must promptly give notice in writing to the insurer or its agent of a change that is:
  - a) material to the risk, and
  - b) within the control and knowledge of the insured.
- 2) If an insurer or its agent is not promptly notified of a change under Section 1) of this Statutory Condition, the contract is void as to the part affected by the change.
- 3) If an insurer or its agent is notified of a change under Section 1) of this Statutory Condition, the insurer may:
  - a) terminate the contract in accordance with Statutory Condition 5, or
  - b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- 4) If the insured fails to pay an additional premium when required to do so under Section 3) b) of this Statutory Condition, the contract is terminated at that time and Statutory Condition 5, Section 2), Clause a) applies in respect of the unearned portion of the premium.

### 5. Termination

- 1) This contract may be terminated:
  - a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days written notice of termination personally delivered, or
  - b) by the Insured at any time on request.
- 2) When this contract is terminated by the Insurer;
  - a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
  - b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- 3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- 4) The fifteen days mentioned in Clause a) of Section 1) of this Statutory Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### 6. Requirements After Loss

- 1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Condition 9.
  - a) immediately given notice in writing to the Insurer,
  - b) deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration.
    - i. giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;



- ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
  - iii. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
  - iv. showing the amount of other insurances and the names of other Insurers;
  - v. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property;
  - vi. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
  - vii. showing the place where the insured property was located at the time of loss or damage;
  - c) if required by Insurer and if practicable,
    - i. produce books of account and inventory lists,
    - ii. furnish invoices and other vouchers verified by statutory declaration, and
    - iii. furnish a copy of the written portion of any other relevant contract.
- 2) The evidence given, produced or furnished under Clauses b) and c) of Section 1) this Statutory Condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## 7. Fraud

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

## 8. Who May Give Notice and Proof

Notice of loss under Clause a) of Section 1) of Statutory Condition 6 may be given and the proof of loss under Clause b) of Section 1) of Statutory Condition 6 may be made:

- 1) by the agent of the insured, if:
  - a) the insured is absent or unable to give the notice or make the proof, and
  - b) the absence or inability is satisfactory accounted for, or
- 2) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in Section 1) of this Statutory Condition.

## 9. Salvage

- 1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- 2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under Section 1) of this Statutory Condition.

## 10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has:

- 1) an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- 2) after the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage, but
  - a) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - b) without the insurer's consent, there can be no abandonment to it of the insured property.

## 11. In Case of Disagreement

- 1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- 2) There is no right to a dispute resolution process under this Statutory Condition until:
  - a) a specific demand is made for it in writing, and
  - b) the proof of loss has been delivered to the insurer.

## 12. When Loss Payable

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the insurer.

### 13. Repair or Replacement

- 1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- 2) If the insurer gives notice under Section 1) of this Statutory Condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

### 14. Notice

- 1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- 2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.

## APPLICABLE TO QUEBEC

### 1. Misrepresentation

If a person applying for insurance falsely describes the property to the prejudice of the Insurer; or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### 2. Property of Others

The insurer is not liable for loss or damaged to property owned by a person other than the insured unless:

- a) otherwise specifically stated in the contract, or
- b) the interest of the insured in that property is stated in the contract.

### 3. Change of Interest

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or change of title by succession, by operation of law, or by death.

### 4. Material Change in Risk

- 1) The insured must promptly give notice in writing to the insurer or its agent of a change that is:
  - a) material to the risk, and
  - b) within the control and knowledge of the insured.
- 2) If an insurer or its agent is not promptly notified of a change under Section 1) of this General Condition, the contract is void as to the part affected by the change.
- 3) If an insurer or its agent is notified of a change under Section 1) of this General Condition, the insurer may:
  - a) terminate the contract in accordance with General Condition 5, or
  - b) notify the insured in writing that, if the insured desires the contract to continue in force, the insured must, within 15 days after receipt of the notice, pay to the insurer an additional premium specified in the notice.
- 4) If the insured fails to pay an additional premium when required to do so under Clause b) of Section 3) of this General Condition, the contract is terminated at that time and Clause a) of Section 2) of General Condition 5 applies in respect of the unearned portion of the premium.

### 5. Termination

- 1) This contract may be terminated:
  - a) by the Insurer giving to the Insured fifteen days' notice of termination by registered mail or five days written notice of termination personally delivered, or
  - b) by the Insured at any time on request.
- 2) When this contract is terminated by the Insurer:
  - a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportionate premium for the expired time, subject to any minimum retained premium specified; and
  - b) the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- 3) When this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.

- 4) The fifteen days mentioned in Clause a) of Section 1) of this General Condition commences to run on the day following the receipt of the registered letter at the post office to which it is addressed.

## 6. Requirements After Loss

- 1) On the happening of any loss of or damage to insured property, the insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of General Condition 9.
  - a) immediately given notice in writing to the Insurer,
  - b) deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration.
    - i. giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed;
    - ii. stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes;
    - iii. stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured;
    - iv. showing the amount of other insurances and the names of other Insurers;
    - v. showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property;
    - vi. showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract;
    - vii. showing the place where the insured property was located at the time of loss or damage;
  - c) if required by Insurer and if practicable,
    - i. produce books of account and inventory lists,
    - ii. furnish invoices and other vouchers verified by statutory declaration, and
    - iii. furnish a copy of the written portion of any other relevant contract.
- 2) The evidence given, produced or furnished under Clauses b) and c) of Section 1) this Statutory Condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

## 7. Fraud

Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars required under General Condition 6 invalidates the claim of the person who made the declaration.

## 8. Who May Give Notice and Proof

Notice of loss under Clause a) of Section 1) of General Condition 6 may be given and the proof of loss under Clause b) of Section 1) of General Condition 6 may be made:

- 1) by the agent of the insured, if:
  - a) the insured is absent or unable to give the notice or make the proof, and
  - b) the absence or inability is satisfactory accounted for, or
- 2) by a person to whom any part of the insurance money is payable, if the insured refuses to do so or in the circumstances described in Section 1) of this General Condition.

## 9. Salvage

- 1) In the event of loss or damage to insured property, the insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- 2) The insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the insured under Section 1) of this General Condition.

## 10. Entry, Control, Abandonment

After loss or damage to insured property, the Insurer has:

- 1) an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- 2) after the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage, but
  - a) without the insured's consent, the insurer is not entitled to the control or possession of the insured property, and
  - b) without the insurer's consent, there can be no abandonment to it of the insured property.

## 11. In Case of Disagreement

- 1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the insured's right to recover under the contract is disputed, and independently of all other questions.
- 2) There is no right to a dispute resolution process under this General Condition until:
  - a) a specific demand is made for it in writing, and
  - b) the proof of loss has been delivered to the insurer.

## 12. When Loss Payable

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with General Condition 6 and delivered to the insurer.

## 13. Repair or Replacement

- 1) Unless a dispute resolution process has been initiated, the insurer, instead of making payment, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- 2) If the insurer gives notice under Section 1) of this General Condition, the insurer must begin to repair, rebuild or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

## 14. Notice

- 1) Written notice to the insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the insurer in the province.
- 2) Written notice to the insured may be personally delivered at, or sent by registered mail addressed to, the insured's last known address as provided to the insurer by the insured.



## Management Liability for Private Companies

### General Terms and Conditions

In consideration of the payment of premium, and in reliance upon the **Application**, and subject to the **Declarations** and the terms and conditions and limitations of this **Policy**, the **Insured** and the **Insurer** agree as follows:

#### 1. APPLICATION OF GENERAL TERMS AND CONDITIONS

- 1.1 These **General Terms and Conditions** shall apply to the **Directors' and Officers' Liability Coverage Section**, **Employment Practices Liability Coverage Section**, and **Fiduciary Coverage Section** of this **Policy**, unless specifically deemed not to apply by the terms and conditions of any individual **Coverage Section**. Only Sections 1. and 2., and subsections 4.1, 8.6, 8.8, 8.11, 8.12, 8.14 and 8.16 of these **General Terms and Conditions** shall apply to the **Crime Coverage Section** of this **Policy**.
- 1.2 The terms and conditions contained within each individual **Coverage Section** apply only to the **Coverage Section** in which they are found and shall not be construed to apply to any other **Coverage Section**.
- 1.3 Terms that appear in bold font in these **General Terms and Conditions**, which are not defined in Section 2 of these **General Terms and Conditions**, shall have the meanings provided for such terms in the applicable **Coverage Section** for the purpose of coverage provided under such **Coverage Section**. The titles of the various sections, paragraphs, and clauses of this **Policy** and any endorsements attached to this **Policy** are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.
- 1.4 In the event of any conflict between these **General Terms and Conditions** and the terms and conditions of any individual **Coverage Section**, the terms of the individual **Coverage Section** shall apply.

#### 2. DEFINITIONS

Whenever used in this **Policy**, the terms that appear in bold font in this Section 2. of the **General Terms and Conditions** shall have the meanings set forth below, unless a different definition is given in a **Coverage Section** for such term, in which case, the definition in the **Coverage Section** shall apply for the purpose of that **Coverage Section** only.

- 3.1 **Application** shall mean all signed **Applications**, any attachments to such **Applications**, other materials submitted therewith or incorporated therein, and any other documents submitted to the **Insurer** in connection with the underwriting of this **Policy** or any **Policy** of which this **Policy** is a renewal or replacement. All such **Applications** are deemed attached to and incorporated into this **Policy**.
- 3.2 **Change in Control** shall mean the **Named Organization** is merged, consolidated with or acquired by another entity, or entities acting in concert, such that the acquiring party has the right to elect at least fifty percent (50%) of the directors of the **Named Organization**, and/or all or substantially all of the **Named Organization's** assets are acquired by another entity.
- 3.3 **Common Law Partners** shall mean two persons who:
  - (a) cohabited continuously in a conjugal relationship outside of marriage for a period of at least one year; or

- (b) cohabited continuously in a conjugal relationship of some permanence outside of marriage if they are the natural or adoptive parents of a child.
- 3.4 **Coverage Section** shall mean each of the following **Coverage Sections** attached to and forming a part of this **Policy**, including the **Directors' and Officers' Liability Coverage Section**, **Employment Practices Coverage Section**, **Fiduciary Coverage Section** and/or the **Crime Coverage Section**, as purchased by the **Insured** and listed in the **Declarations**.
- 3.5 **Deductible** shall mean the amount stated as such in the **Declarations**
- 3.6 **Declarations** shall mean the **Declarations** attached to and forming part of this **Policy**.
- 3.7 **Defence Costs** shall mean all reasonable and necessary costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of any **Insured Person**) incurred by the **Insurer**, or by the **Insured** with the prior written consent of the **Insurer**, in the defence, **Investigation**, adjustment, settlement or appeal of any **Claims** for which coverage is afforded under this **Policy**, and the premium for appeal, attachment, advancement of costs or similar bonds arising out of covered judgements. **Defence Costs** are part of and not in addition to all limits of liability applicable to this **Policy**, except where required by the laws of the Province of Quebec, including the **Policy Aggregate Limit** and any applicable **Shared Limit of Liability** or **Separate Limit of Liability**.
- 3.8 **Director and Officer** shall mean any natural person who is a past, current or future duly elected or appointed director (including any de facto or "deemed" director), officer, trustee, management committee or board member, general partner or partnership manager, General Counsel, risk manager, or governor of the **Insured Organization** and all persons serving in a functionally equivalent or foreign equivalent role for the **Insured Organization**.
- 3.9 **Early Settlement Opportunity** shall mean an offer to settle or a proposed settlement of a **Claim** under this **Policy** which meets all of the following criteria:
  - (a) notification of the **Claim** is given by the **Insured** to the **Insurer** within thirty (30) days from the date the **Claim** was first made;
  - (b) the settlement offer or proposed settlement is made by any party, recommended by the **Insurer**, and agreed to by the claimant, all within ninety (90) days from the date the **Claim** was first made; and
  - (c) the total amount of the settlement offer or proposed settlement is within the limits of liability applicable to such **Claim** and any **Claim** alleging **Interrelated Wrongful Acts** under this **Policy**.
- 3.10 **Employee** shall mean any past, present, or future **Employee** of the **Insured Organization** (other than a **Director and Officer**), engaged and directed by the **Insured Organization** including any full-time, part-time, seasonal or temporary **Employee** of the **Insured Organization**. **Employee** also includes an independent contractor but only to the extent such individual performs work or services for or on behalf of the **Insured Organization**, and only to the extent they are indemnified by the **Insured Organization** in the same manner as the **Insured Organization's** own **Employees**, and in such case coverage hereunder shall be specifically excess of any indemnification or insurance otherwise available to such independent contractors.
- 3.11 **Extended Reporting Period** shall mean the period referred to in Section 3. of the **General Terms and Conditions**.
- 3.12 **Financial Insolvency** shall mean bankruptcy or insolvency as defined by the provisions of the *Bankruptcy and Insolvency Act R.S.C. 1985, c.B-3*, *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, *Winding up and Restructuring Act, R.S.C. 1985, c. W-11*, or Chapters 7 or 11 of the *United States Bankruptcy Code*, and includes liquidation pursuant to the *Canada Business Corporations Act R.S.C. 1985, c.C-44* or any similar provincial or

territorial legislation, and the appointment of a receiver, receiver manager, or monitor.

- 3.13 **General Terms and Conditions** shall mean these **General Terms and Conditions** which are attached to and form a part of the **Policy**.
- 3.14 **Insured Organization** shall mean the **Named Organization** and any **Subsidiary**.
- 3.15 **Insurer** shall mean all Insurance Companies listed in the Schedule entitled SECURITY in the **Declarations**.
- 3.16 **Interrelated Wrongful Acts** shall mean two or more **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts, or Fiduciary Wrongful Acts** which have as a common nexus any fact, circumstance, situation, event or transaction, or any series of facts, circumstances, situations, events or transactions.
- 3.17 **Named Organization** shall mean the entity named as such in the **Declarations**.
- 3.18 **Official Body** shall mean any regulator, prosecuting authority, government body, government agency, parliamentary commission, official trade body, law enforcement agency or any other professional body with powers to investigate, regulate or discipline an **Insured Organization** or an **Insured Person**.
- 3.19 **Policy** shall mean the **Declarations**, this **Policy** form including the **General Terms and Conditions** and all **Coverage Sections**, any endorsements attached to the **Policy**, the **Application**, and the *Notification* advisory page.
- 3.20 **Policy Aggregate Limit** means the **Policy Aggregate Limit** stated in the **Declarations**.
- 3.21 **Policy Period** shall mean the period of time specified as such in the **Declarations**, or any other period as may be mutually agreed in writing by the **Named Organization** and **Insurer**.
- 3.22 **Pollutant** shall mean solids, liquids, gaseous, thermal, biological, nuclear or radiological irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste and any air emission, odor, waste water, oil or oil products, infectious, biological or medical waste, asbestos or asbestos products, silica, noise, fungus, including mold, mildew and any mycotoxins, spores, scents or by products produced or released by fungi, but not any fungi intended by the **Insured** for consumption, and electric or magnetic or electromagnetic fields. **Waste** includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- 3.23 **Retention** shall mean the amount stated as such in the **Declarations**.
- 3.24 **Separate Limit of Liability** means the **Separate Limit of Liability** applicable to any **Coverage Section**, as stated in the **Declarations**.
- 3.25 **Shared Limit of Liability** means the **Shared Limit of Liability**, if any, which shall be applicable to and shared between two or more **Coverage Sections**, as listed below such **Shared Limit of Liability** in the **Declarations**.
- 3.26 **Subsidiary** shall mean any entity, including but not limited to any corporation, income trust, joint venture, limited liability company, unlimited liability company, or partnership of which the **Insured Organization** either directly or indirectly, (i) holds or controls more than 50% of the outstanding securities representing the right to vote for the election of such entity's directors or; (ii) has the right, pursuant to written contract, certificate of incorporation, charter, by-laws, articles of association, limited liability company agreement, partnership agreement or other organizational or similar documents of an entity to elect, appoint, or designate a majority of such entity's directors, officers, general partners, managing members, members of the Board of Managers or their equivalent (hereinafter deemed as management control),

- (a) on or before the effective date of this **Policy**; or
- (b) subsequent to the effective date of this **Policy**, by reason of it being acquired or created by the **Insured Organization**.

**Subsidiary** shall include coverage for any past **Subsidiary** that is otherwise covered under Section 8.1 of the **General Terms and Conditions**.

- 3.27 **Whistleblower Conduct** shall mean actions of an **Employee** or **Director and Officer** assisting, cooperating or testifying in any proceeding or **Investigation** into whether an **Insured** violated any federal, provincial, local or foreign common or statutory law, or any rule or regulation promulgated thereunder.

### 3. EXTENDED REPORTING PERIOD

- 3.1 If; (i) this **Policy** is terminated or not renewed for any reason other than for non-payment of premium; or, (ii) there is a **Change in Control**; and, (iii) in the case of both (i) and (ii) if this **Policy** is neither renewed nor replaced with a directors' & officers' liability **Policy** on terms substantially the same as this **Policy**, then the **Insured** will be entitled to an **Extended Reporting Period** automatically of sixty (60) days for no additional premium or, the Named Organization may elect to purchase an **Extended Reporting Period**. The **Extended Reporting Period** provides an additional period, which commences upon the **Policy** termination or expiry of the **Policy Period**, or in the case of a **Change in Control** from the effective date of such event, and continues for sixty (60) days (if automatic), or for the term selected from the options indicated in the **Declarations** (if purchased), during which the **Insured** may provide notice, but only in respect of **Claims, Derivative Demands, Investigations or Inquiries** first made during the **Extended Reporting Period** for **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts or Fiduciary Wrongful Acts** committed or alleged to have been committed prior to the end of the **Policy Period**, or in the case of a **Change in Control** prior to the effective date of such event. The additional premium associated with the purchase of the **Extended Reporting Period** is calculated at the percentage shown in the **Declarations** multiplied by the total Annual Premium as shown in the **Declarations**.
- 3.2 It is specifically agreed that the purchase of the **Extended Reporting Period** shall be dependent upon:
- (a) written notice requesting the **Extended Reporting Period** being received by the **Insurer** within sixty (60) days following the date of termination of the **Policy** or the expiry date of the **Policy Period**, or in the case of a **Change in Control** within sixty (60) days of the **Change in Control**; and
  - (b) the applicable additional premium being received by the **Insurer** no more than fifteen (15) days after the date of receipt of such request.
- 3.3 Purchase of the **Extended Reporting Period** shall not in any way increase the **Policy Aggregate Limit** or any **Shared Limit of Liability** or **Separate Limit of Liability**.
- 3.4 The **Extended Reporting Period**, once purchased, is not cancellable and the additional premium charged is fully earned at inception. The **Insurer** has no obligation under this **Policy** to offer any additional or sequential **Extended Reporting Period** after the **Extended Reporting Period** set out in Section 3.1 of the **General Terms and Conditions**.

### 4. LIMIT OF LIABILITY AND PRIORITY OF PAYMENTS

- 4.1 The maximum limit of liability of the **Insurer** under the **Policy**, for all **Loss** under all **Coverage Sections**, shall be the total **Policy Aggregate Limit** stated in the **Declarations**. Once the **Policy Aggregate Limit** is fully exhausted, the **Insurer** shall have no obligation to pay any further **Loss** under any **Coverage Sections** of this **Policy**.



- 4.2 If any **Shared Limits of Liability** are shown in the **Declarations**, then each such **Shared Limit of Liability** shall be the maximum limit of the **Insurer's** aggregate liability for all **Loss** with respect to all **Coverage Sections** combined for which such **Shared Limit of Liability** is applicable as indicated in the **Declarations**, regardless of the number of **Claims, Investigations, Derivative Demands** or **Inquiries**. Each **Shared Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit** under this **Policy** and shall in no way serve to increase the **Policy Aggregate Limit**. Once a **Shared Limit of Liability** is fully exhausted, the **Insurer** shall have no obligation to pay any further **Loss** under the **Coverage Sections** which are subject to such **Shared Limit of Liability**.
- 4.3 If **Separate Limits of Liability** are stated in the **Declarations** for any **Coverage Section**, then each such **Separate Limit of Liability** shall be the maximum aggregate limit of the **Insurer's** liability for all **Loss** under such **Coverage Section**, regardless of the number of **Claims, Investigations, Derivative Demands** or **Inquiries**. Each **Separate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit** under this **Policy** and shall in no way serve to increase the **Policy Aggregate Limit**. Once a **Separate Limit of Liability** is fully exhausted, the **Insurer** shall have no obligation to pay any further **Loss** under the **Coverage Section** which is subject to such **Separate Limit of Liability**.
- 4.4 The **Policy Aggregate Limit**, and all **Shared Limits of Liability** or **Separate Limits of Liability** applicable to any **Extended Reporting Period**, if purchased, shall be part of, and not in addition to, such limits of liability for the **Policy Period**.

## 5. RETENTION

- 6.1 The **Insurer** will only be liable for the amount of **Loss** arising from a **Claim** that is in excess of the applicable **Retention** amount stated in the **Declarations**.
- 6.2 No **Retention** will apply to a **Claim, Investigation, Derivative Demand** or **Inquiry**:
- (a) in the event the **Insured Organization** fails to indemnify the **Insured Persons** due to the **Financial Insolvency** of the **Insured Organization** during the **Policy Period**, or during any applicable **Extended Reporting Period**;
  - (b) where a final judgment of no liability is obtained prior to trial in favour of all **Insureds**, by reason of a motion to dismiss or a motion for summary judgment, after the exhaustion of all appeals; or
  - (c) where a final judgment of no liability is obtained after trial in favour of all **Insureds**, after exhaustion of all appeals and no **Loss** other than in respect of **Defence Costs** has been incurred.

The **Insurer** agrees in the case of (b) or (c) above to reimburse all reasonably incurred **Defence Costs** paid by an **Insured** subject to the applicable **Policy Aggregate Limit** and any applicable **Shared Limit of Liability** or **Separate Limit of Liability**. In the event of such determination or dismissal, reimbursement shall occur within sixty (60) days thereafter.

- 6.3 If, for any reason, an **Insured Organization** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable **Retention**, if any, then the **Insurer** shall advance such amounts within 60 days after sufficiently detailed invoices for those fees, costs, expenses and other related charges are received by the **Insurer**. In such case the **Insurer** shall continue to advance such amounts on behalf of the **Insured Person** until either (i) the **Retention** has been satisfied; or (ii) the **Insured Organization** has agreed to make such payments. Such advancement by the **Insurer** shall in no way relieve any **Insured Organization** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**.
- 6.4 All **Claims** or **Investigations** against the **Insured** that arise out of or are attributable to the same **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts, Fiduciary Wrongful Acts, or Interrelated Wrongful Acts**, shall constitute, respectively, a single **Claim** or **Investigation**, for the purposes of this **Policy**.

6.5 Where a **Claim** is covered under two or more **Coverage Sections** of this **Policy**, the **Retention** shall apply as follows:

- (a) If two or more **Coverage Sections** applicable to the **Claim** share a **Shared Limit of Liability**, only one **Retention** amount shall apply in respect of the **Coverage Sections** which are subject to the **Shared Limit of Liability**, and such amount shall be the greater of the **Retentions** applicable under such applicable **Coverage Sections**; and
- (b) A separate **Retention** shall apply for each applicable **Coverage Section** that has a **Separate Limit of Liability**.

## 6. REPORTING – CONDITION PRECEDENT

6.1 The **Insureds** shall, as a condition precedent to the **Insurer’s** liability under this **Policy**, provide written notification of any **Claim, Inquiry** or **Investigation** first made against any **Insured** during the **Policy Period** as soon as reasonably practicable after the **Named Organization’s** General Counsel or Chief Financial Officer first becomes aware of such **Claim, Inquiry** or **Investigation**.

However,

- (a) if this **Policy** expires and a replacement **Policy** has been issued by the **Insurer**, written notice may be given within one-hundred eighty (180) days of this **Policy** expiration provided the **Insured** satisfies the **Insurer** that sooner notice was not reasonably possible;
- (b) if this **Policy** expires (or is otherwise terminated) and a replacement **Policy** is not issued by the **Insurer** and the **Extended Reporting Period** has not been exercised, notice may be given within ninety (90) days after the **Policy** expiration date;
- (c) if the **Extended Reporting Period** has been exercised, written notice must be given before the expiration date of the **Extended Reporting Period**;
- (d) if this **Policy** has been cancelled for non-payment of premium, notice must be given prior to the effective date of this **Policy** termination; and
- (e) in the event of an **Early Settlement Opportunity**, notice of a **Claim** must comply with Section 2.8 (a).

6.2 The **Insureds** may also provide notice in writing to the **Insurer** during the **Policy Period**, or during the **Extended Reporting Period** if applicable, of any fact or circumstance which could reasonably be expected to give rise to a **Claim** or **Investigation**, including a request to toll, waive or extend a limitation period, being made against an **Insured** for a **Wrongful Act, Employment Practices Wrongful Act, Third Party Wrongful Act, or Fiduciary Wrongful Act**.

6.3 Notification in accordance with Section 6.1 and notice in writing in accordance with Section 6.2 shall be forwarded to the **Insurer** at the address, or facsimile or electronic mail contact details, stated in the *Notification* advisory page which attaches to, and forms part of, this **Policy**. Notice must include full particulars as to dates, events, persons and entities involved and the manner in which the **Insureds** became aware of the **Claim, Inquiry, Investigation**, fact or circumstance. Any **Claim** or **Investigation** subsequently made and arising out of a fact or circumstance reported pursuant to Section 6.2 of the **General Terms and Conditions** shall be deemed to have been first made at the time such notice in writing was provided to the **Insurer**.

6.4 Failure to give any notice required or permitted to be given by this **Policy** within the prescribed time shall not invalidate any **Claim, Investigation** or **Inquiry** under this **Policy**:

- (a) if the **Insured**, acting reasonably, considers that it is unable to notify a **Claim, Investigation** or **Inquiry** in order to comply with the requirements of an **Official Body**, or pursuant to any statute or other legal obligation; or
- (b) in the event of a situation not within subparagraph (a) above, unless the **Insurer** can demonstrate its interests have been materially prejudiced by reason of such late notice.

## 7. DEFENCE, INVESTIGATION AND SETTLEMENT

- 7.1 It shall be the duty of the **Insured** to defend **Claims, Inquiries, Investigations, and Derivative Demands** covered under this **Policy**.
- 7.2 In respect of any **Claim, Investigation, Inquiry or Derivative Demand** covered under this **Policy** the **Insurer** will pay, respectively, **Defence Costs, Investigative Costs or Inquiry Defence Costs** on behalf of the **Insured** on an as incurred basis, but no later than sixty (60) days after receipt of the invoice, subject to reasonableness. If at any time a **Claim, Investigation, Inquiry or Derivative Demand** is determined not to be covered under this **Policy**, then all such **Defence Costs, Investigative Costs, and Inquiry Defence Costs** must be repaid to the **Insurer** on demand, by the **Insureds**, severally and according to their respective interests.
- 7.3 However, the **Insured** shall have the right to tender the defence of a **Claim, Investigation, Inquiry or Derivative Demand** to the **Insurer**, which right shall be exercised in writing by the **Named Organization** on behalf of all **Insured(s)** to the **Insurer** in accordance with SECTION 6. REPORTING – CONDITION PRECEDENT of the **General Terms and Conditions** and within thirty (30) days of the date the **Claim, Investigation, Inquiry or Derivative Demand** is first made against an **Insured**.

Provided that the **Insured** has complied with SECTION 6. REPORTING – CONDITION PRECEDENT and provided that the **Insured** shall have taken no action whatsoever in the **Administration** or defence of the **Claim, Investigation, Inquiry or Derivative Demand** that prejudices the right of the **Insured** or the **Insurer** with respect to such **Claim, Investigation, Inquiry or Derivative Demand** the **Insurer** shall be obligated to assume the defence of the **Claim, Investigation, Inquiry or Derivative Demand** even if such **Claim, Investigation, Inquiry or Derivative Demand** is groundless, false or without merit. The assumption of the defence of the **Claim, Investigation, Inquiry or Derivative Demand** shall be effective upon written confirmation sent thereof by the **Insurer** to the **Named Organization**.

The right to tender shall terminate within thirty (30) days of the date the **Claim, Investigation, Inquiry or Derivative Demand** was first made against an **Insured**, however, the **Insurer** may at its sole discretion elect to assume the defence of the **Claim, Investigation, Inquiry or Derivative Demand** should the **Insured** seek to tender the defence more than thirty (30) days after the date the **Claim, Investigation, Inquiry or Derivative Demand** was first made against an **Insured**.

- 7.4 The **Insured** shall obtain the **Insurer's** written consent to retain any lawyers or other advisors from whom advice in respect of the defence of the **Claim, Investigation, Inquiry or Derivative Demand** is being sought, prior to their appointment. Such consent shall not be unreasonably withheld. The **Insurer** shall accept as reasonable and necessary the **Retention** of separate legal representation to the extent required by any actual or potential conflict of interest between any **Insureds**.
- 7.5 The **Insured** shall not admit liability for, plead guilty to, or settle, any **Claim, Investigation, Derivative Demand or Inquiry** without the written consent of the **Insurer**, such consent not to be unreasonably withheld. Furthermore, the **Insurer** shall not settle or compromise any **Claim, Investigation, Derivative Demand or Inquiry** without the written consent of the **Insured**.
- 7.6 The **Insured** shall assert all appropriate defences and cross **Claims** for contribution, indemnity or damages and shall co-operate fully with the **Insurer** and/or its legal representative in the conduct of the defence.
- 7.7 The **Insured** shall at its own cost and in a timely fashion provide all information and assistance reasonably required to allow any **Claim, Investigation, Inquiry or Derivative Demand** to be effectively investigated, defended and/or resolved, and to allow the **Insurer** to investigate and determine coverage under the **Policy**.

7.8 The failure of any **Insured Person** to give the **Insurer** cooperation and information as required by Sections 7.6 and 7.7 of this **Coverage Section** shall not impair the rights of any other **Insured Person** under this **Policy**.

7.9 If the **Insurer** recommends an **Early Settlement Opportunity** to the **Insureds**, and:

- (a) the **Insureds** consent to such **Early Settlement Opportunity** within thirty (30) days of the **Insurer's** recommendation thereof; and
- (b) the **Claim** settles as a result of such **Early Settlement Opportunity**;

the **Retention** applicable to such **Claim** shall be waived, and any amounts paid by the **Insureds** towards the **Retention** shall be reimbursed by the **Insurer**.

## 8. GENERAL CONDITIONS

### 8.1 Subsidiary Creation and Cessation

In the event the **Insured Organization** creates or acquires a **Subsidiary**, coverage under this **Policy** shall extend to such **Subsidiary** and its **Insured Persons**, but only with respect to **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts** and **Fiduciary Wrongful Acts** committed or alleged to have been committed, or to Inquiries commenced, after the said date of acquisition or creation.

If any entity ceases to be a **Subsidiary** after the inception date of the **Policy** or any **Policy** of which the **Policy** is a renewal or replacement, the **Policy** shall continue to apply to any of the **Insured Persons** and **Subsidiaries** who were covered under the **Policy** because of their service with such **Subsidiary**, but only with respect to any **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts** and **Fiduciary Wrongful Acts** committed, or to Inquiries commenced, prior to the time such entity ceased to be a **Subsidiary**.

### 8.2 Allocation

In the event that a **Claim** involves both **Loss** that is partly covered by this **Policy** and **Loss** that is not covered, either because a **Claim** against an **Insured** includes both covered and uncovered matters or because a **Claim** is made against covered and uncovered parties, the **Insurer** and the **Insured** shall use their best efforts to determine a fair and proper allocation of covered **Loss** and uncovered **Loss**, taking into account the relative legal exposures of the covered and uncovered matters and parties under this **Policy**.

If the amount of covered **Loss** cannot be agreed, the **Insurer** shall pay that portion of **Loss** (pursuant to this Subsection) which the **Insured** and the **Insurer** agree is not in dispute until a final amount is agreed upon or determined pursuant to Section 8.16 of the **General Terms and Conditions**.

### 8.3 Material Changes in Conditions (Change in Control)

In the event of a **Change in Control**, this **Policy** shall only apply to **Wrongful Acts, Employment Practices Wrongful Acts, Third Party Wrongful Acts** and **Fiduciary Wrongful Acts** committed, or Inquiries commenced, prior to the effective date of such **Change in Control**. The full annual premium for the **Policy Period** shall be deemed fully earned immediately upon the occurrence of such **Change in Control** and this **Policy** may not be cancelled thereafter but shall continue until the expiration date shown under **Policy Period** of the **Declarations**.

In the event of a **Change in Control**, the Named Organization will have the option to purchase an **Extended Reporting Period** as set out in Section 3. of the **General Terms and Conditions**.

## 8.4 Cancellation/Termination

- (a) The Named Organization may cancel this **Policy** by giving notice in writing to the **Insurer** at any time.
- (b) The **Insurer** may cancel this **Policy** by giving thirty (30) days written notice to the Named Organization due to non-payment of premium.
- (c) This **Policy** may be cancelled in writing by mutual agreement of the Named Organization and the **Insurer**.
- (d) This **Policy** shall terminate at the expiration of the **Policy Period** as stated in the **Declarations**.
- (e) The **Insurer** shall give written notice to the Named Organization ninety (90) days in advance of the **Policy Period** expiry date, in the event the **Insurer** intends to non-renew this **Policy**.

If the **Named Organization** cancels this **Policy**, the **Insurer** shall retain the proportion of the premium calculated on a pro-rata basis as at the date of cancellation.

## 8.5 Other Insurance

This **Policy** shall apply only in excess of any other valid and collectible insurance, other than insurance written as specific excess insurance over the **Policy Aggregate Limit**, or over the **Shared Limit of Liability** or **Separate Limit of Liability** applicable to any **Coverage Section** of this **Policy**.

## 8.6 Priority of Payments

The **Insurer** shall pay **Loss** in the order in which **Loss** is presented to the **Insurer** for payment. If **Loss**, which in the aggregate exceeds the applicable available or remaining available **Separate Limit of Liability** or applicable Shared Limits of Liability, is payable concurrently under Insuring Agreement A in the **Directors' and Officers' Liability Coverage Section** and other Insuring Agreements in other **Coverage Sections** of this **Policy**, the **Insurer** will first pay **Loss** payable under Insuring Agreement A in the **Directors' and Officers' Liability Coverage Section**. Notwithstanding the above, the **Insurer** shall upon written request by the Chief Executive Officer or equivalent position of the Named Organization withhold any payment which would otherwise be made under any Insuring Agreements other than Insuring Agreement A in the **Directors' and Officers' Liability Coverage Section**. Any such withheld payment shall, upon further written request to the **Insurer** by the Chief Executive Officer or equivalent position of the Named Organization, be paid by the **Insurer** to either:

- (a) the **Insured Organization**, if the written request for payment is made within one (1) year of the date of final judgment or resolution of the **Claim, Investigation, or Inquiry** for which coverage is provided under any Insuring Agreements other than Insuring Agreement A in the **Directors' and Officers' Liability Coverage Section**; or
- (b) to, or for the benefit of an **Insured Person**, if such **Insured Person** has incurred **Loss** for which coverage is provided under Insuring Agreement A in the **Directors' and Officers' Liability Coverage Section**.

The order of payment provided for herein shall apply irrespective of the **Financial Insolvency** of any **Insured Organization**, provided however that no payment will be compelled without compliance with all necessary judicial authorization, orders and laws.

## 8.7 Action Against the Insurer

Except as provided in Section 8.16 – ALTERNATIVE DISPUTE RESOLUTION, no action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms and conditions of this **Policy**.

No suit or action by the **Insured**, or by any other person or entity claiming through the **Insured**, or on its behalf, shall lie against the **Insurer** unless such suit or action is brought in a Court of competent jurisdiction within Canada.

No person or entity shall have the right under this **Policy** to join the **Insurer** as a party to any action against the **Insured** to determine liability of the **Insured**, nor shall the **Insureds** or their legal representative implead the **Insurer**. **Financial Insolvency** of any **Insured**, or their estates, shall not relieve the **Insurer** of any of its obligations hereunder.

## 8.8 Assignment of Policy

This **Policy** and any rights hereunder cannot be assigned without the written consent of the **Insurer**.

## 8.9 Acceptance and Severability of **Application**

(a) The **Application** for this **Policy** shall be construed as a separate **Application** by each **Insured Person**. With respect to the **Declarations** and statements contained in the **Application**, no statement in the **Application** or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**. Only the knowledge of any past, present or future chief executive officer or chief financial officer of the **Insured Organization** shall be imputed to such **Insured Organization** for the purposes of determining the validity of this **Policy** as to the coverage provided to such **Insured Organization**. To each **Insureds'** best respective knowledge, the particulars and statements contained in the **Application** are true in all material respects and this **Policy** is issued in reliance upon the truth of such representations.

(b) Notwithstanding the foregoing, this **Policy** and all **Coverage Sections** hereunder shall be non-rescindable by the **Insurer**.

## 8.10 Subrogation and Assignment of Rights

In the event of payment under this **Policy**, the **Insurer** shall be subrogated to all of the **Insured's** rights of recovery in respect of such payment. In addition, the **Insured** shall execute all documentation that may be necessary to enable the **Insurer** to bring an action or suit in the name of the **Insured**. Any recovery received shall first be applied against any payment made by the **Insurer**, with any balance remaining thereafter being remitted to the **Insured**.

It is agreed that the **Insurer** may subrogate against the **Insured** only in the event of a deliberate criminal or deliberately fraudulent act by the **Insured** if established by a final, non-appealable adjudication in an underlying action adverse to the **Insured**.

In the event the **Insurer** recovers amounts it paid under this **Policy** or any **Coverage Section**, whether from the **Insured Organization**, underlying **Insurer** or any **Third Party**, the **Insurer** will reinstate the **Policy Aggregate Limit** and any applicable **Shared Limit of Liability** or **Separate Limit of Liability** under this **Policy** to the extent of such recovery.

By paying **Loss** under this **Policy**, the **Insurer** does not waive, compromise or release its right to recover such **Loss** from the issuers of any other insurance under which coverage may be owed, or from the **Insured Organization**, or any other party from which the **Insured Person** is entitled to indemnification.

## 8.11 Authorization of the Named Insured

The Named Organization shall act as agent on behalf of the **Insured** in respect of all matters of any nature relating to or affecting this **Policy**. The **Insurer** shall be entitled to treat the Named Organization as having such authority for all purposes connected with this **Policy**. However, if a **Claim** is made against an **Insured Person** by the **Insured Organization**, the **Insurer** shall have no duty or obligation to communicate with any other **Insured Person** or the **Insured Organization** in relation to that **Claim**.

## 8.12 Singular and Plural/Masculine and Feminine

Any reference to the singular shall include the plural and vice versa. Any reference to the masculine shall include the feminine and vice versa.

## 8.13 Territory and Valuation

Coverage under this **Policy** shall extend anywhere in the world, unless specified otherwise.

All premiums, limits, **Retentions**, **Loss** and other amounts under this **Policy** are expressed and payable in the currency of Canada, unless specified otherwise. If judgment is rendered, settlement is denominated or another element of **Loss** under this **Policy** is stated in a currency other than Canadian, payment under this **Policy** shall be made in Canadian dollars at the rate of exchange published by the Bank of Canada on the date the final judgment is reached, or the amount of the settlement is agreed upon respectively.

## 8.14 Governing Law

- (a) This **Policy** shall be governed by the laws of, and, other than as set out in Section 8.16 of the **General Terms and Conditions**, subject to the exclusive jurisdiction of the province or territory where the Named Organization has its principal address, as noted in the **Declarations**.
- (b) In the event that there is an inconsistency between any applicable provincial or territorial legislation regarding insurance and any term or condition of this **Policy**, then it is understood and agreed that, where permitted by law, the **Insurer** shall apply those terms and conditions of either the provincial or territorial insurance legislation or the **Policy** which are more favorable to the **Insured**.
- (a) Where this **Policy** is legally required to be interpreted in accordance with the laws of the Province of Quebec:
  - i. Les parties ont expressément convenu que cette convention ainsi que tous documents y afférents soient rédigés en langue anglaise seulement. The parties have expressly agreed that this **Policy** and all related documents be drafted in the English language only; and
  - ii. The **Policy** provisions shall be deemed to be amended to comply with the applicable mandatory provisions of the Quebec Civil Code, but only to the extent necessary to comply with such mandatory provisions of the Quebec Civil Code and only to the extent that such mandatory provisions are contrary to the existing terms of this **Policy**.

## 8.15 Waiver in Stay in Bankruptcy

It is understood and agreed that the coverage provided under the **Policy** is intended to protect and benefit the **Insured Persons**. In the event of **Financial Insolvency** of the **Insured Organization**, then, in regard to a covered **Claim**, **Investigation**, or **Inquiry** under the **Policy**, the **Insureds** hereby agree not to oppose or object to any efforts by the **Insurer** or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of the **Policy** as a result of the **Financial Insolvency**.

## 8.16 Alternative Dispute Resolution

- (a) All disputes or differences which may arise under or in connection with this **Policy**, whether arising before or after termination of this **Policy**, including any determination of the amount of **Loss**, shall be submitted to an alternative dispute resolution (ADR) process as provided in this clause.
- (b) Mediation

If any dispute arises between any **Insured** and the **Insurer** involving this **Policy** and/or a **Claim**, **Investigation**, **Derivative Demand** or **Inquiry** hereunder, it is hereby mutually agreed by the **Insured** and the **Insurer** that such dispute shall be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute, prior to the initiation of any arbitration or other proceedings. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. Notice of Mediation to the **Insurer** shall be forwarded to the address stated under Notice of the **Declarations**. The **Named Organization** is authorized and directed to accept the Notice of Mediation on behalf

of any **Insured**.

(c) Arbitration

As a condition precedent to any right of action hereunder, in the event that a good faith effort to mediate pursuant to Section 8.16 (b) above cannot resolve a dispute between any **Insured** and the **Insurer** involving this **Policy** or a **Claim, Investigation, Derivative Demand or Inquiry** hereunder, it is hereby mutually agreed that such dispute shall be determined by final and binding arbitration before a single arbitrator under the provisions of the provincial *Arbitration Act* currently in force in the jurisdiction of the **Named Organization's** principal address indicated in the **Declarations**. If the parties cannot mutually select the arbitrator, the parties will refer the selection of the arbitrator to the chapter of the ADR Institute of Canada Inc. operating in the jurisdiction of the applicable *Arbitration Act*.

(d) ADR Rules

In considering the construction or interpretation of the provisions of this **Policy**, the mediator or arbitrator(s) must give due consideration of the general principles of the law of the jurisdiction of the **Named Organization's** principal address. Each party shall share equally the expenses of the ADR. At the election of the **Named Organization**, the ADR process shall be commenced in Toronto, Ontario, or in the province or territory reflected in the address of the **Named Organization**, or in accordance with the applicable *Arbitration Act*. In all other respects, the **Insurer** and the **Named Organization** shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.





## Directors' and Officers' Liability Coverage Section

This is a **Claims Made Coverage Section**. In consideration of the payment of premium, and in reliance upon the **Application**, and subject to the **Declarations** and the terms and conditions and limitations of this **Policy**, the **Insured** and the **Insurer** agree as follows:

### 1. INSURING AGREEMENTS

#### A. Directors' and Officers' Liability Coverage

The **Insurer** shall pay on behalf of the **Insured Persons** all **Loss** for which the **Insured Persons** are not indemnified by the **Insured Organization** and which the **Insured Persons** become legally obligated to pay on account of any **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Wrongful Act**.

#### B. Named Organization Indemnification Coverage

The **Insurer** shall pay on behalf of the **Insured Organization** all **Loss** for which the **Insured Organization** provides indemnification to **Insured Persons**, as permitted or required by law, and which the **Insured Persons** have become legally obligated to pay on account of any **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Wrongful Act**.

#### C. Insured Organization Liability Coverage

The **Insurer** shall pay on behalf of the **Insured Organization** all **Loss** which the **Insured Organization** becomes legally obligated to pay on account of any **Claim** first made against the **Insured Organization** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Wrongful Act**.

#### D. Employment Practices Liability (for Insured Persons) Coverage

If no Employment Practices Liability **Coverage Section** has been purchased with this **Policy**, as shown in the **Declarations**, the **Insurer** shall pay on behalf of the **Insured Persons** all **Loss** which the **Insured Persons** become legally obligated to pay on account of any **Claim** first made against the **Insured Persons** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for an **Employment Practices Wrongful Act**.

#### E. Outside Directorship Liability Coverage

The **Insurer** shall pay on behalf of the **Outside Entity Insured Persons** all **Loss** which the **Outside Entity Insured Persons** become legally obligated to pay on account of any **Claim** first made against any **Outside Entity Insured Persons** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Wrongful Act**. Provided, however, that this coverage shall only apply excess of any indemnification provided by the **Outside Entity**, and excess of any other insurance coverage available to the **Outside Entity** or the **Outside Entity Insured Persons** for such **Claim**.

## 2. COVERAGE EXTENSIONS

### A. Investigative Costs Coverage

The **Insurer** shall pay on behalf of the **Insured** all **Investigative Costs** arising from an **Investigation** in response to a **Derivative Demand** first made during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Wrongful Act** by any **Director and Officer**, up to the sub-limit of coverage for **Investigative Costs** as stated in the **Declarations**.

### B. Inquiry Costs Coverage

The **Insurer** shall pay on behalf of the **Insured** all **Inquiry Defence Costs** arising from an **Inquiry** first commenced during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, up to the sub-limit of coverage for **Inquiry Defence Costs** as stated in the **Declarations**.

### C. Side A Excess Coverage

The **Insurer** will provide an **Excess Limit of Liability** for **Loss** that **Insured Persons** may become legally obligated to pay solely by reason of a **Claim** for a **Wrongful Act** for which the **Insured Persons** are not indemnified by the **Insured Organization**.

This **Excess Limit of Liability** shall be specifically excess of:

- (a) the **Policy Aggregate Limit** and any **Shared Limit of Liability** or **Separate Limit of Liability** applicable to this **Coverage Section** as stated in the **Declarations**; and
- (b) any insurance that is excess of this **Coverage Section**, in which case such excess insurance must be completely exhausted by payment of **Loss** made by the Underlying **Insurers** thereunder and/or the **Insured** before the **Insurer** shall have any obligation to make any payment for **Loss** under this Side A Excess Coverage extension.

### D. Retired/Removed Executive Automatic Extended Reporting Period

If this **Policy** is: (i) terminated; (ii) not renewed for any reason other than for non-payment of premium; or (iii) not replaced with a directors' & officers' liability **Policy** on terms substantially the same as this **Policy**, then solely with respect to any **Director and Officer** of the **Insured Organization** who has ceased to act in his capacity as a **Director and Officer**, other than where directly related to a **Change in Control** prior to the effective date of such termination, non-renewal, or non-replacement, there shall be an automatic extension of coverage granted by this **Policy** for a period of twelve (12) months immediately following the effective date of such termination, non-renewal, or non-replacement that allows the **Director and Officer** to provide notice, but only in respect of **Claims** for **Wrongful Acts** first committed, **Derivative Demands** first made, or an **Inquiry** first commenced, prior to the effective date of such termination, non-renewal or non-replacement.

## 3. DEFINITIONS

Notwithstanding any definitions given in the **General Terms and Conditions**, when used in this **Coverage Section**:

### 3.1 **Claim** shall mean:

- (a) any written demand made against any **Insured** for monetary damages or non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process;
  - (b) a civil proceeding commenced against any **Insured** by issuance or filing of a Notice of Action, Statement of Claim, Writ of Summons, Complaint, or similar pleading;
  - (c) a criminal proceeding commenced against any **Insured** by an arrest, summons to appear, return of an indictment, laying of an information, service of a statement of offence, or similar document;
  - (d) a mediation or arbitration proceeding against any **Insured** commenced by the receipt by an **Insured** of a notice of request or intent to mediate or arbitrate, or similar document;
  - (e) any formal **Inquiry**, administrative or regulatory **Investigation** or proceeding commenced against any **Insured** pursuant to a court order, order of a regulatory authority, notice of charges, or by reason of a subpoena, or any similar document, issued to any **Insured**, except any professional disciplinary proceeding, or any **Inquiry**, **Investigation**, commission, or hearing involving, relating to, or in connection with labour relations or collective bargaining; or
  - (f) an **Extradition Proceeding** whereby there is a lawful request (including a warrant issued for the arrest) of any **Director and Officer**.
- 3.2 **Complainant** shall have the meaning as defined in Section 238 of the *Canada Business Corporations Act, RSC 1985, c C-44* or similar provision of any Canadian provincial or territorial business corporation statute.
- 3.3 **Derivative Action** shall mean a civil action purportedly brought derivatively on behalf of the **Insured Organization** by a **Complainant** against any **Director and Officer** for any actual or alleged wrongdoing on the part of such **Director and Officer**.
- 3.4 **Derivative Demand** shall mean any written demand by any **Complainant** upon the board of directors (or equivalent management body) of the **Insured Organization** to commence a civil action on behalf of the **Insured Organization** against any **Director and Officer** for any wrongdoing on the part of such **Director and Officer**, or the commencement of any such civil action by the **Complainant** or the **Insured Organization** in the event no prior written demand was made.
- 3.5 **Director and Officer** shall mean any natural person serving as a past, current or future duly elected or appointed director (including any de facto or “deemed” director), officer, trustee, management committee or board member, general partner or partnership manager, General Counsel, risk manager, or governor of the **Insured Organization**, and all persons serving in a functionally equivalent or foreign equivalent role for the **Insured Organization**.
- 3.6 **Employment Practices Wrongful Act** shall mean any of the following conduct by an **Insured Person** in relation to any **Employee** or **Director and Officer**, or to applicants for employment with the **Insured Organization**:
- (a) wrongful dismissal, termination or discharge of employment, whether actual or constructive;
  - (b) breach of any employment contract, whether written, express or implied;
  - (c) workplace or sexual harassment;
  - (d) workplace or employment related discrimination;
  - (e) retaliation in response to any **Whistleblower Conduct**, exercise of legal rights, or compliance with any court order by any **Employee, Director and Officer**, or applicant for employment with the **Insured Organization**;
  - (f) wrongful discipline;
  - (g) employment related misrepresentation;
  - (h) employment related libel, slander, humiliation, defamation or invasion of privacy;
  - (i) wrongful failure to employ, promote, or grant tenure;
  - (j) wrongful deprivation of career opportunity, wrongful demotion, or negligent employment evaluation, including the provision of negative or defamatory statements in connection with an employment reference; or

(k) wrongful failure to provide or enforce adequate or consistent corporate policies or procedures relating to any of the above.

3.7 **Excess Limit of Liability** shall mean an additional limit of liability, up to the amount shown in the **Declarations**, applicable solely to Insuring Agreement A of this **Coverage Section**, which shall apply in addition to, and excess of, the **Policy Aggregate Limit** and any **Shared Limit of Liability** or **Separate Limit of Liability** applicable to this **Coverage Section**.

3.8 **Extradition Proceeding** shall mean any formal process by which an **Insured Person** located in any country is sought to be surrendered to any other country for trial or otherwise to answer any criminal accusations, and any related appeal or judicial review applications challenging any extradition decision by the responsible governmental authority.

3.9 **Inquiry** shall mean:

- (a) a request or demand for an **Insured Person** to appear at a meeting, deposition or interview, or produce documents, relating to the business of the **Insured Organization** or the **Insured Person's** capacity as such, or by virtue of their status as such, where such request or demand is:
  - i. by an **Official Body**; or
  - ii. by or on behalf of the **Insured Organization**, its board of directors (or similar management body), or any committee of its board of directors (or similar management body), arising out of a request or demand set forth in (i) above; or which is part of the **Insured Organization's Investigation** and evaluation of a **Derivative Action**; or
- (b) the arrest or confinement of an **Insured Person**, whether residential or custodial, by a law enforcement authority, relating to the business of the **Insured Organization** or the **Insured Person's** capacity as such.

**Inquiry** shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in the normal review or compliance process of the **Insured Organization**, by an **Official Body**.

3.10 **Inquiry Defence Costs** shall mean reasonable and necessary costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses incurred by an **Insured** solely in connection with an **Inquiry**. **Inquiry Defence Costs** shall not include regular or overtime wages, salaries, fees, or costs of travel or accommodation of any **Insured Person**. **Inquiry Defence Costs** shall be part of and not in addition to the **Policy Aggregate Limit** or any **Shared Limit of Liability** or **Separate Limit of Liability** applicable to this **Coverage Section**.

3.11 **Insured** shall mean:

- (a) any **Insured Person**; or
- (b) any **Insured Organization**.

3.12 **Insured Organization** shall mean the **Named Organization** and any **Subsidiary**.

3.13 **Insured Person** shall mean any natural person who was, is or who becomes during the **Policy Period**:

- (a) a **Director and Officer**;
- (b) an **Employee**;
- (c) an **Outside Entity Insured Person**, but solely for the purposes of coverage under Insuring Agreement E;
- (d) any family member of a **Director and Officer** or of an **Employee**, including but not limited to the lawful spouse (including **Common Law Partners** if recognized by law in the **Insured Organization's** country of domicile) of a **Director and Officer** or of an **Employee**, but only where recovery against such family member is sought solely because property is held jointly with, or owned by the family member on behalf of such **Director and**

- Officer** or such **Employee**, and solely in relation to **Wrongful Acts** by such **Director and Officer** or such **Employee**;
- (e) the legal representatives, heirs, assigns or estates of any deceased **Director and Officer** or **Employee**, but solely in relation to **Wrongful Acts** by such **Director and Officer** or such **Employee**; or
  - (f) the legal representatives or assigns of any **Director and Officer** or **Employee** in the event of the **Director and Officer's** or **Employee's** incompetency, insolvency or bankruptcy, but solely in relation to **Wrongful Acts** by such **Director and Officer** or such **Employee**.

There is no coverage hereunder for any **Claim, Inquiry, or Investigation** that alleges wrongful conduct by a family member, legal representative, heir, assign or estate of any **Director and Officer** or **Employee**.

- 3.14 **Investigation** shall mean an **Investigation** by or on behalf of an **Insured Organization** by its board of directors (or any special committee thereof), in response to a **Derivative Demand**.
- 3.15 **Investigative Costs** shall mean reasonable and necessary costs, charges, fees (including but not limited to legal fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of any **Insured Person**) incurred by the **Insured** or on behalf of the **Insured** by the **Insured Organization's** board of directors (or equivalent thereof), or any special committee thereof, solely in connection with an **Investigation**. The sub-limit of liability available for all **Investigations** combined during the **Policy Period** or the **Extended Reporting Period** if applicable, shall be the sub-limit of liability for **Investigative Costs** as specified in the **Declarations** and this amount shall be part of and not in addition to the **Policy Aggregate Limit** or any **Shared Limit of Liability** or **Separate Limit of Liability** applicable to this **Coverage Section**.
- 3.16 **Joint Venture Entity** shall mean any corporation, partnership, association or entity other than a **Subsidiary** over which the **Insured Organization** exercises management or voting control and which is identified by an endorsement to this **Policy**.
- 3.17 **Loss** shall mean the amount that an **Insured** is legally obligated to pay, including but not limited to damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), awards of costs (including claimant's legal costs and expenses). **Loss** shall also include:
  - (a) costs incurred by the **Insured** in connection with the defence or appeal of an **Extradition Proceeding**, and the premium for a bail bond, if bail is available for an **Extradition Proceeding** in the country at issue, but the **Insurer** shall be under no obligation to provide such bail bond;
  - (b) unpaid tax and other unpaid statutory liabilities of the **Insured Organization** arising under the laws of Canada, the laws of any province or territory of Canada or the laws of any municipality therein, which an **Insured Person** becomes legally obligated to pay by virtue of a **Claim** against any **Insured Person** arising out of the failure of an **Insured Organization** as a result of its **Financial Insolvency**) to: (i) deduct, withhold or remit taxes (including but not limited to non-resident withholding taxes, goods and services taxes, salary or withholding taxes and **Employee** source deductions), employment insurance contributions or pension plan contributions; or (ii) pay debts for services performed by an **Employee** in respect of salary, wages, commissions, earned bonuses and expenses incurred by an **Employee** on behalf of the **Insured Organization**, unpaid vacation pay, and interest on outstanding wages, including any penalties and interest related to those items in (i) and (ii);
  - (c) civil penalties and civil fines (when insurable) assessed against any **Insured Person**, pursuant to Section 2(g)(2)(B) of the *Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2(g)(2)(B)* or under similar provisions (if any) of the *Corruption of Foreign Public Officials Act of Canada*; and
  - (d) **Defence Costs, Investigative Costs** and **Inquiry Defence Costs**.

However, **Loss** does not include:

- (e) taxes (except statutory remittances as provided for in Section 3.17 (b) of this **Coverage Section**);
- (f) fines or penalties (except civil penalties and civil fines as provided in Section 3.17 (c) of this **Coverage Section**);
- (g) matters uninsurable under the law pursuant to which this **Policy** is construed;
- (h) costs or expenses of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralising, or assessing the effects of **Pollutants**;
- (i) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**;
- (j) punitive, exemplary or multiplied damages (except where insurable under the applicable law most favourable to the insurability of such damages provided such jurisdiction has a substantial relationship to the **Insured**);
- (k) any portion of damages, judgments, or settlements in respect of any **Claim** alleging that the amount an **Insured** paid or proposed to pay for the acquisition or completion of all or substantially all of the ownership interest in, or assets of, an entity was inadequate. However, this paragraph shall not apply to **Loss** as is otherwise covered under Insuring Agreement A of this **Coverage Section**;
- (l) salary, wages, termination payments, commissions, employment-related benefits of any kind including but not limited to deferred payments (including insurance premiums in connection with an **Employee Benefit Plan**), stock, stock options or warrants, or similar rights in securities or rights to purchase securities, or the value thereof, profit sharing, or other perquisites;
- (m) the future salary or benefits of a claimant who has been hired, promoted or reinstated to employment, whose employment has been or shall be continued or whose salary or benefits have been increased pursuant to a settlement, order or other resolution;
- (n) salary, wages or commissions payable to a claimant for services performed for any **Insured Organization** while employed with any **Insured Organization**; or
- (o) any amount incurred to comply with an order or agreement to provide non-monetary or injunctive relief.

Notwithstanding the foregoing, the **Insurer** shall not assert that, in a **Claim** alleging violations of Section 130 of the *Securities Act (Ontario)*, or Section 11, 12, or 15 of the *U.S. Securities Act of 1933*, or alleging violations under any similar provisions of other Canadian, federal, provincial or territorial securities laws promulgated thereunder, the portion of any amounts incurred by **Insureds** which are attributable to such violations constitutes uninsurable **Loss** and shall treat that portion of all such settlements, judgments and **Defence Costs** as constituting **Loss** under this **Policy** (unless the **Insurer** is precluded from doing so by court order).

3.18 **Outside Entity** shall mean any organization other than the **Insured Organization** in which the **Insured Organization** maintains a financial interest as a sponsor, an equity investor, creditor or executor, including any non-profit organization, corporation, **Joint Venture Entity**, partnership, trust or limited liability company. **Outside Entity** shall not include the following:

- (a) any financial services company including any bank, credit union, finance company, insurance company, stock exchange, brokerage, investment fund or trust;
- (b) any information technology services company active in design, development, manufacture, installation, maintenance, servicing or repairing of computer software, hardware or firmware, including those companies which provide related systems analysis, systems programming, data processing, systems integration, internet related services, or sales, licensing, distribution of computer software, hardware or firmware;
- (c) any pharmaceutical research or biotechnology company, those organizations which are active in the fields of life sciences, biological sciences, the medical products industry, the healthcare industry; or
- (d) any organization which is currently, or has at any time in the past two years, been subject to regulation by the U.S. Securities and Exchange Commission.

3.19 **Outside Entity Insured Person** shall mean any duly elected or appointed **Director and Officer**, acting in a similar capacity for an **Outside Entity**:

- (a) in the case of a not-for profit organization, with the prior approval of the **Insured Organization**; or
- (b) in the case of an entity other than a not-for-profit organization, at the specific request or direction of the **Insured Organization**.

3.20 **Wrongful Act** shall mean any:

- (a) actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty or act allegedly committed or attempted by an **Insured Person** acting in his or her capacity as such;
- (b) matter claimed against any **Insured Person** solely by reason of his or her status as an **Insured Person**; or
- (c) actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty or act allegedly committed or attempted by the **Insured Organization**.

## 4. EXCLUSIONS

The **Insurer** shall not be liable for **Loss** on account of any **Claim, Investigation, Inquiry** or **Derivative Demand**:

### 4.1 Conduct

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- (a) any deliberately fraudulent or criminal act or omission or any wilful violation of any statute, law or regulation by an **Insured Person**, if a final, non-appealable adjudication in an underlying action adverse to the **Insured Person** establishes such conduct; or
- (b) the gaining of any profit, remuneration or advantage to which an **Insured** was not legally entitled, if established by a final, non-appealable adjudication in an underlying action adverse to the **Insured**, however the **Insurer** agrees this subparagraph will not be applied to **Defence Costs** arising out of a **Claim** against an **Insured Person** alleging a violation of Section 304 of the *U.S. Sarbanes-Oxley Act*.

### 4.2 Prior Noticed Circumstances

based upon, arising from, directly or indirectly resulting from, or in consequence of any circumstances notified in writing to, and accepted by, any **Insurer** under a **Policy** of which this **Policy** is a renewal or replacement and which provides coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**.

### 4.3 Prior Claims, Proceedings

for any written demand, action or other proceeding, order, decree or judgment entered for or against any **Insured** prior to or pending at the applicable Pending or Prior Litigation Date stated in the **Declarations**, or which arises from matters substantially the same as alleged in or forming the subject matter therein.

### 4.4 Fiduciary Liability

for any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by any **Employee** benefit, retirement or pension legislation anywhere in the world, including but not limited to the *Income Tax Act (Canada)*, the *Pension Benefits Standards Act, 1985, R.S.C. c. 32 (2nd Supp.)*, *Pension Benefits Act, R.S.O. 1990, c. P.8*, the *UK Pensions Act 1995* and the *Employee Retirement Income Security Act of 1974 (USA)*.

### 4.5 Bodily Injury and Property Damage

for:

- (a) bodily injury, sickness, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including **Loss** of use thereof; or
- (b) mental anguish or emotional distress or disturbance, however this subsection 4.5 (b) shall not apply to that part of any **Claim, Inquiry or Investigation** alleging an **Employment Practices Wrongful Act**.

Provided, however, that this exclusion shall not apply to **Defence Costs** on account of any criminal proceeding against any **Insured Person** on account of any **Claim** which is: (i) pursuant to section 217.1 of the *Canadian Criminal Code R.S.C. 1985, c.C-46*, or any similar provision of any criminal code in any jurisdiction; or (ii) a criminal proceeding for manslaughter (or any similar offense).

#### 4.6 Insured Organization v. Insured

which is brought by or on behalf of an **Insured Organization** against any **Insured** or any **Outside Entity** against any **Outside Entity Insured Person**; provided, however, that this exclusion shall not apply to:

- (a) **Defence Costs** under Insuring Agreement A;
- (b) any **Derivative Action** brought by or maintained on behalf of the **Insured Organization** or any **Outside Entity**, so long as the **Claim** is brought or continued without the material assistance, solicitation, active participation, intervention or willing co-operation of any **Insured Person**, any **Outside Entity Insured Person**, the **Insured Organization** or any **Outside Entity**;
- (c) any **Claim** brought and maintained by a liquidator, receiver, administrative receiver, trustee in bankruptcy, monitor or similar official of the **Insured Organization** or **Outside Entity** in the event of **Financial Insolvency** of the **Insured Organization** or **Outside Entity**;
- (d) any **Claim** against an **Insured Person** brought by or on behalf of an **Insured Organization** or any **Outside Entity** formed and operating in a foreign jurisdiction, provided that such **Claim** is required to be brought and maintained outside Canada, the United States, or any other common law country (including any territories thereof).

For the purposes of exception (b) above, **Whistleblower Conduct** by an **Insured Person** shall not be considered solicitation, assistance, active participation, intervention or willing co-operation of an **Insured Person**.

#### 4.7 Outside Entity Prior Wrongful Acts

with respect to an **Outside Entity Insured Person**, for any **Wrongful Act** prior to the date upon which such **Outside Entity Insured Person** is elected or appointed to the board of such **Outside Entity**, if the **Outside Entity Insured Person**, as of such date, knew or reasonably could have known that such **Wrongful Act** could lead to a **Claim** under this **Policy**.

#### 4.8 Publicly Traded Securities

based upon, arising from, directly or indirectly resulting from, or in consequence of any actual or attempted offering, solicitation, sale, distribution or issuance of securities by any **Insured Organization** or **Outside Entity** to the public at large for trading on a securities exchange, including but not limited to by way of an initial public offering, whether or not a prospectus has been issued or other disclosure requirements have been met; provided, however, if at least thirty (30) days prior to such event, the **Insurer** is given written notice of such event by the **Named Organization** together with any information requested by the **Insurer**, the **Insurer** shall offer to provide coverage for such event, subject to such terms, conditions and additional premium as the **Insurer** may require.

#### 4.9 Breach of Contract, Intellectual Property, Product Defect, Professional Liability, Wage & Hour

with respect to Insuring Agreement C only:

- (a) for any direct or assumed liability or obligation of the **Insured**, under any contract or agreement, except and to the extent the **Insured** would have been liable in the absence of such contract or agreement. Provided, however, this exclusion shall not apply to **Loss** on account of that part of any **Claim** alleging an **Employment Practices Wrongful Act**; or



- (b) for any actual or alleged infringement, plagiarism, misappropriation, or violation of copyright, patent, service marks, trademarks, trade secrets, title or other proprietary or licensing rights or intellectual property of any products, technologies or services; or
- (c) for any actual or alleged defect, deficiency, inadequacy, malfunction or dangerous condition of any of the **Insured Organization's** or **Outside Entity's** products or in its design or manufacture, including warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such products; or
- (d) for actual or alleged liability of an **Insured Organization** arising out of or attributable to the **Insured Organization's** performance of or failure to perform professional services for others; or
- (e) arising out of or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by that part of the *Canadian Labour Code*, or the *United States Fair Labour Standards Act*, or any similar laws that govern wage, hour and payroll policies and practices.

#### 4.10 Antitrust, Competition Act or Unfair Trade Practices

with respect to Insuring Agreements A, B, C and E only:

for any actual or alleged price fixing, restraint of trade, monopolization, deceptive or unfair trade, or any actual or alleged violation of the *Competition Act, R.S.C. 1985. C.C-34*, or of the same or similar provisions of any federal, state, provincial or territorial statutory or common law, including any rules or regulation promulgated thereunder. Without limiting the generality of the foregoing, such same or similar provision shall include those in the *Federal Trade Commission Act*, the *Sherman Anti-Trust Act* and the *Clayton Act*, all of the United States of America.

#### 4.12 Entity Employment Liability

against the **Insured Organization** for an **Employment Practices Wrongful Act**.

#### 4.13 Where Employment Practices Liability Coverage Purchased

for an **Employment Practices Wrongful Act** if coverage under the Employment Practices Liability **Coverage Section** has been purchased as shown in the **Declarations**, in which case the Employment Practices Liability **Coverage Section** shall apply in lieu of Insuring Agreement D of this **Coverage Section**.

For purposes of determining the application of the above exclusions, facts pertaining to or knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**. For the purposes of coverage under Insuring Agreement C, only facts pertaining to or knowledge possessed by the past, present or future chief executive officer or chief financial officer of the **Insured Organization** shall be imputed to such **Insured Organization**.

## 5. RETENTION

- 1.1 Notwithstanding Section 5. RETENTION in the **General Terms and Conditions**, no **Retention** will apply to a **Claim** where coverage is provided under Insuring Agreement A of this **Coverage Section**.

## 7. GENERAL CONDITIONS

### 7.1 Other Insurance

**General Terms and Conditions** Section 8.5. OTHER INSURANCE does not apply to this **Coverage Section**.

This **Policy** shall apply only in excess of any other valid and collectible insurance, other than insurance written as specific excess insurance over the **Policy Aggregate Limit**, or over the **Shared Limit of Liability** or **Separate Limit of Liability** applicable to this **Coverage Section**; provided, however, that the **Excess Limit of Liability** shall apply in accordance with Section 2. C of this **Coverage Section**.



## Employment Practices Liability Coverage Section

This is a **Claims Made Coverage Section**. In consideration of the payment of premium, and in reliance upon the **Application**, and subject to the **Declarations** and the terms and conditions and limitations of this **Policy**, the **Insured** and the **Insurer** agree as follows:

### 1. INSURING AGREEMENTS

#### A. Employment Practices Liability Coverage

The **Insurer** shall pay on behalf of the **Insured** all **Loss** which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against the **Insured** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for an **Employment Practices Wrongful Act**.

#### B. Third Party Employment Practices Liability Coverage

If the **Declarations** indicate that Third Party Employment Practices Liability is covered, the **Insurer** shall pay on behalf of the **Insured** all **Loss** which the **Insured** becomes legally obligated to pay on account of any **Claim** by a **Third Party** first made against the **Insured** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Third Party Wrongful Act**.

### 3. DEFINITIONS

Notwithstanding any definitions given in the **General Terms and Conditions**, when used in this **Coverage Section**:

#### 3.1 **Claim** shall mean:

- (a) any written demand made against any **Insured** for monetary damages or non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process;
- (b) a civil proceeding against any **Insured** commenced by issuance or filing of a Notice of Action, Statement of Claim, Writ of Summons, Complaint, or similar pleading;
- (c) a mediation or arbitration proceeding against any **Insured** commenced by the receipt by an **Insured** of a notice of request or intent to mediate or arbitrate, or similar document;
- (d) an administrative, tribunal or regulatory proceeding against any **Insured** commenced by the filing of a notice of charges or similar document, or
- (e) a criminal or penal proceeding against any **Insured** commenced by an arrest, summons to appear, laying of an information, return of an indictment, service of a statement of offence, or similar document.

3.2 **Employee** shall mean any past, present, or future **Employee** engaged and directed by the **Insured Organization** (other than a **Director and Officer**), including any full-time, part-time, seasonal or temporary **Employee** of the **Insured Organization**, and including temporary placement staff providing services to the **Insured Organization** through a temporary staffing agency.

3.3 **Employment Practices Wrongful Act** shall mean any of the following actual or alleged conduct by an **Insured** solely in relation to any **Employee** or **Director and Officer**, or to applicants for employment with the **Insured Organization**:

- (a) wrongful dismissal, termination or discharge of employment, whether actual or constructive;
- (b) breach of any employment contract, whether written, express or implied;
- (c) workplace or sexual harassment;
- (d) workplace or employment related discrimination;
- (e) retaliation in response to any **Whistleblower Conduct**, exercise of legal rights, or compliance with any court order by any **Employee, Director and Officer**, or applicant for employment with the **Insured Organization**;
- (f) wrongful discipline;
- (g) employment related misrepresentation;
- (h) employment related libel, slander, humiliation, defamation or invasion of privacy;
- (i) wrongful failure to employ, promote, or grant tenure;
- (j) wrongful deprivation of career opportunity, wrongful demotion, or negligent employment evaluation, including the provision of negative or defamatory statements in connection with an employment reference; or
- (k) wrongful failure to provide or enforce adequate or consistent corporate policies or procedures relating to any of the above.

3.4 **Insured** shall mean:

- (a) any **Insured Person**; or
- (b) any **Insured Organization**.

3.5 **Insured Person** shall mean any natural person who was, is or who becomes during the **Policy Period**:

- (a) a **Director and Officer**;
- (b) an **Employee**;
- (c) any family member of a **Director and Officer** or of an **Employee**, including but not limited to the lawful spouse (including **Common Law Partners** if recognized by law in the **Insured Organization's** country of domicile) of a **Director and Officer** or of an **Employee**, but only where recovery against such family member is sought solely because property is held jointly with, or owned by the family member on behalf of such **Director and Officer** or such **Employee**, and solely in relation to **Employment Practices Wrongful Acts** by such **Director and Officer** or such **Employee**;
- (d) the legal representatives, heirs, assigns or estates of any deceased **Director and Officer** or **Employee**, but solely in relation to **Employment Practices Wrongful Acts** by such **Director and Officer** or such **Employee**; or
- (e) the legal representatives or assigns of any **Director and Officer** or **Employee** in the event of the **Director and Officer's** or **Employee's** incompetency, insolvency or bankruptcy, but solely in relation to **Employment Practices Wrongful Acts** by such **Director and Officer** or such **Employee**.

There is no coverage hereunder for any **Claim** that alleges an **Employment Practices Wrongful Act** by a family member, legal representative, heir, assign or estate of any **Director and Officer** or **Employee**.

3.6 **Loss** shall mean the amount that an **Insured** is legally obligated to pay, including but not limited to damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), awards of costs (including claimant's legal costs and expenses) and **Defence Costs**.

However, **Loss** does not include:

- (a) taxes, fines or penalties;
- (b) matters uninsurable under the law pursuant to which this **Policy** is construed;
- (c) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**;

- (d) punitive, exemplary, or multiplied damages (except where insurable under the applicable law most favourable to the insurability of such damages provided such jurisdiction has a substantial relationship to the **Insured**);
- (e) the future salary or benefits of a claimant who has been hired, promoted or reinstated to employment, whose employment has been or shall be continued or whose salary or benefits have been increased pursuant to a settlement, order or other resolution;
- (f) salary, wages or commissions payable to a claimant for services performed for any **Insured Organization** while employed with any **Insured Organization**;
- (g) amounts incurred by an **Insured** to comply with an order or agreement to provide injunctive or non-monetary relief, including but not limited to actual or anticipated costs and expenses associated with or arising from an **Insured's** obligations to provide reasonable accommodation under, or otherwise comply with the *Accessibility for Ontarians with Disabilities Act, 2005* or any similar or related federal, provincial, territorial or local, by-law or regulations; or
- (h) salary, wages, termination payments, commissions, employment-related benefits of any kind including but not limited to deferred payments (including insurance premiums in connection with an **Employee Benefit Plan**), stock, stock options or warrants, or similar rights in securities or rights to purchase securities, or the value thereof, profit sharing, or other prerequisites.

3.7 **Third Party** shall mean any natural person who is a customer, vendor, service provider, client, or other business invitee of the **Insured Organization**, or any other natural person or group of natural persons, provided, however **Third Party** shall not include any **Employee**.

3.8 **Third Party Wrongful Act** shall mean any actual or alleged:

- (a) harassment of a **Third Party**, including but not limited to any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment; or
- (b) discrimination against a **Third Party**, including but not limited to any such discrimination on account of race, colour, religion, age, disability or national origin,

by the **Insured Organization** or by an **Insured Person** acting in his or her capacity as such.

## 4. EXCLUSIONS

The **Insurer** shall not be liable for **Loss** on account of any **Claim**:

### 4.1 Conduct

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- (a) any deliberately fraudulent or criminal act or omission or any willful violation of any statute, law or regulation by an **Insured Person**, if a final, non-appealable adjudication in an underlying action adverse to the **Insured Person** establishes such conduct; or
- (b) the gaining of any profit, remuneration or advantage to which an **Insured** was not legally entitled, if established by a final, non-appealable adjudication in an underlying action adverse to the **Insured**.

### 4.2 Prior Noticed Circumstances

based upon, arising from, directly or indirectly resulting from, or in consequence of any circumstances notified in writing to, and accepted by any **Insurer** under a **Policy** of which this **Policy** is a renewal or replacement and which provides coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**.

#### 4.3 Prior Claims, Proceedings

for any written demand, action or other proceeding, order, decree or judgment entered for or against any **Insured** prior to or pending at the applicable Pending or Prior Litigation Date stated in the **Declarations**, or which arises from matters substantially the same as alleged in or forming the subject matter therein.

#### 4.4 Fiduciary Liability

for any actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by any **Employee** benefit, retirement or pension legislation anywhere in the world, including but not limited to the *Income Tax Act (Canada)*, the *Pension Benefits Standards Act, 1985, R.S.C. c. 32 (2nd Supp.)*, *Pension Benefits Act, R.S.O. 1990, c. P.8*, the *UK Pensions Act 1995* and the *Employee Retirement Income Security Act of 1974 (USA)* and any amendments thereto.

#### 4.5 Bodily Injury and Property Damage

for bodily injury, sickness, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including **Loss** of use thereof. Provided, however, that this exclusion shall not apply to that part of a **Claim** alleging mental anguish or emotional distress.

#### 4.6 Contractual Liability

- (a) for any direct or assumed liability or obligation of the **Insured**, or liability of others assumed by the **Insured**, under any contract or agreement, except to the extent the **Insured** would have been liable in the absence of such contract or agreement; or
- (b) for any dispute with respect to the valuation of a written employment contract or agreement, provided that this exclusion shall not apply to **Defence Costs**.

#### 4.7 Labour Management Relations

for violation of the *Canada Labour Code*, Parts I and II, including any of the following: a lockout, strike, picket line, hiring of replacement workers, outsourcing or other similar actions in connection with labour disputes or labour negotiations.

#### 4.8 Workers' Compensation, Employment Insurance and Disability Benefits

for any actual or alleged obligation of the **Insured** under any statute or law providing for workers' compensation, disability benefits, employment insurance, or similar benefits. However, notwithstanding the foregoing, the **Insurer** shall pay **Loss** arising from a **Claim** for retaliatory treatment of the claimant on account of the claimants' exercising of rights pursuant to any such law.

#### 4.9 Employee Benefits Program

for an actual or alleged violation of the responsibilities, obligations or duties imposed by the *Canada Labour Code*, Part III, or any similar law anywhere in the world governing any **Employee** benefits program, **Policy**, plan or scheme of any kind. Provided, however, that this exclusion shall not apply to a **Claim** for any retaliatory treatment of the claimant on account of the claimants' exercising of rights pursuant to any such law, or any **Claim** for pay equity.

#### 4.10 Workplace Safety

for any violation of responsibilities, obligations or duties imposed under the *Canada Labour Code*, Part III, or any



similar law anywhere in the world governing workplace safety and health, provided this exclusion shall not apply to the extent the **Claim** is for retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to any such law.

#### 4.11 Wage and Hour

arising out of or attributable to any actual or alleged violation of the responsibilities, obligations or duties imposed by that part of the *Canadian Labour Code*, or the *United States Fair Labour Standards Act*, or any similar laws that govern wage, hour and payroll policies and practices.

For purposes of determining the application of the above exclusions, facts pertaining to or knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**. Only facts pertaining to or knowledge possessed by the past, present or future chief executive officer or chief financial officer of the **Insured Organization** shall be imputed to such **Insured Organization**.

## Fiduciary Liability Coverage Section

This is a **Claims Made Coverage Section**. In consideration of the payment of premium, and in reliance upon the **Application**, and subject to the **Declarations** and the terms and conditions and limitations of this **Policy**, the **Insured** and the **Insurer** agree as follows:

### 1. INSURING AGREEMENTS

#### A. Fiduciary Liability Coverage

The **Insurer** shall pay on behalf of the **Insured** all **Loss** which the **Insured** becomes legally obligated to pay on account of any **Claim** first made against the **Insured** during the **Policy Period** or, if applicable, during the **Extended Reporting Period**, for a **Fiduciary Wrongful Act**.

### 3. DEFINITIONS

Notwithstanding any definitions given in the **General Terms and Conditions**, when used in this **Coverage Section**:

#### 3.1 **Administration** shall mean:

- (a) giving counsel, advice, or notice to **Employees**, participants, or beneficiaries with respect to **Employee Benefit Plans**;
- (b) providing interpretations with respect to any **Employee Benefit Plans**;
- (c) handling records in connection with **Employee Benefit Plans**;
- (d) effecting enrolment, termination or cancellation of **Employees**, participants, or beneficiaries under any **Employment Benefit Plans**.

#### 3.2 **Claim** shall mean:

- (a) any written demand made against any **Insured** for monetary damages or non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process; or
- (b) a civil proceeding commenced against any **Insured** by issuance or filing of a Notice of Action, Statement of Claim, Writ of Summons, Complaint, or similar pleading;
- (c) a mediation or arbitration proceeding against any **Insured** commenced by the receipt by an **Insured** of a notice of request or intent to mediate or arbitrate, or similar document; or
- (d) an administrative or regulatory proceeding against any **Insured** commenced by the filing of a notice of charges or similar document, or a criminal or penal proceeding against any **Insured** commenced by an arrest, summons to appear, laying of an information, return of an indictment, service of a statement of offence, or similar document.

#### 3.3 **Employee Benefit Plan** means the following **Plans**, funds or programs which are sponsored, operated, maintained or administered by the **Insured Organization** and existed before the effective date of this **Policy**:

- (a) any plan providing pension, retirement or savings benefits as contemplated by the *Income Tax Act of Canada, R.S.C., 1985, c.1(5th Supp)* and applicable provisions of provincial pension standards legislation or similar provincial or foreign legislation, which is operated for the benefit of the **Insured Persons**;
- (b) any medical or welfare benefit plan or disability benefit plan as defined by the *Canada Health Act, R.S.C. 1985, c. C-6*, the *Ontario Health Insurance Act, R.S.O. 1990, c. H.6*, or, any other similar provincial or foreign legislation;
- (c) any **Plans** as defined in the *Ontario Insurance Act, R.S.O. 1990, c. 1.8*, or, similar provincial or foreign legislation;
- (d) any retirement compensation agreement, flexible **Employee Benefit Plan** or registered supplementary unemployment benefit or stock ownership plan not subject to Canadian legislation if sponsored by the **Insured Organization** for the benefit of the **Insured Persons**;
- (e) in the United States of America, any plan, including a welfare benefit plan, as defined in **ERISA**, but only if shown as "covered" in the **Declarations**; or
- (f) any other plan, fund or program specifically included as an **Employee Benefit Plan** by endorsement to this **Policy**, provided, however, **Employee Benefit Plan** shall not include any plan, fund or program which is operated by the **Insured Organization** jointly with any other employer or labour organization, or is a multi-employer plan as defined in the *Pension Benefits Standards Act, R.S. 1985, c.32 (2nd Supp.)*, the *Ontario Pension Benefits Act, R.S.O 1990, c. P.8* or **ERISA** or by the common, civil or statutory law of Canada, or any province, territory, state or other jurisdiction anywhere in the world.

**Employee Benefit Plan** shall also include any **Plans** within the meaning of subparagraphs (a) through (d) above which are acquired or created by the **Insured Organization** subsequent to the effective date of this **Policy**.

Coverage for an **Employee Benefit Plan** shall apply to any **Fiduciary Wrongful Act** committed or allegedly committed by the **Insured** after the effective date that the **Employee Benefit Plan** became an **Employee Benefit Plan** and such coverage shall extend to any past **Employee Benefit Plan** to the extent that the **Fiduciary Wrongful Act** is committed or allegedly committed prior to the date the **Employee Benefit Plan** ceased to be an **Employee Benefit Plan**.

- 3.4 **ERISA** shall mean the *Employee Retired Income Security Act of 1974*, including any amendments thereto and regulations promulgated thereunder.
- 3.5 **Fiduciary** shall mean any person or entity having **Fiduciary** responsibilities with respect to the governance or management of an **Employee Benefit Plan** or the disposition of its assets.
- 3.6 **Fiduciary Wrongful Act** shall mean:
  - (a) any actual or alleged breach of the responsibilities, obligations or duties imposed upon any **Insured** in their capacity as a **Fiduciary** of any **Employee Benefit Plan** by common, civil or statutory law anywhere in the world;
  - (b) any actual or alleged negligent act, error or omission by an **Insured** in the **Administration** of an **Employee Benefit Plan**;
  - (c) any other matter claimed against any **Insured Person** or **Insured Organization** solely by reason of their status as a **Fiduciary** of an **Employee Benefit Plan**; or
  - (d) any matter falling within the meaning of subparagraph (a), (b) or (c) above which is committed or allegedly committed by any person for whose **Fiduciary Wrongful Acts** the **Insured** is legally responsible.
- 3.7 **Insured** shall mean:
  - (a) any **Insured Person**;
  - (b) any **Insured Organization**; or



- (c) any **Employee Benefit Plan**.

3.8 **Insured Person** shall mean any person who was, is or who becomes during the **Policy Period**:

- (a) a **Director and Officer** or natural person serving in a similar capacity with any **Employee Benefit Plan**;
- (b) an **Employee** or natural person serving in a similar capacity with any **Employee Benefit Plan**;
- (c) a **Fiduciary**; or
- (d) with respect to any **Director and Officer, Employee or Fiduciary**, and solely in relation to **Fiduciary Wrongful Acts** by such **Director and Officer, Employee or Fiduciary**:
  - i. any family member, including but not limited to the lawful spouse (including **Common Law Partners** if recognized by law in the **Insured Organization's** country of domicile) but only where recovery against such family member is sought solely because property is held jointly with, or owned by the family member on behalf of such **Director and Officer, Employee or Fiduciary**;
  - ii. the legal representatives, heirs, assigns or estates of any deceased **Director and Officer, Employee or Fiduciary**; or
  - iii. the legal representatives or assigns in the event of the **Director and Officer's, Employee's or Fiduciary's** incompetency, insolvency or bankruptcy.

3.9 **Loss** shall mean the amount that an **Insured** is legally obligated to pay, including but not limited to damages, settlements, judgments (including pre/post-judgment interest on a covered judgment), awards of costs (including claimant's legal costs and expenses), and **Defence Costs**.

However, **Loss** does not include:

- (a) taxes, fines or penalties;
- (b) matters uninsurable under the law pursuant to which this **Policy** is construed;
- (c) punitive, exemplary damages or multiplied damages (except where insurable under the applicable law most favourable to the insurability of such damages provided such jurisdiction has a substantial relationship to the **Insured**); or
- (d) amounts incurred by an **Insured** to comply with an order or agreement to provide injunctive or non-monetary relief.

## 4. EXCLUSIONS

The **Insurer** shall not be liable for **Loss** on account of any **Claim**:

### 4.1 Conduct

based upon, arising from, directly or indirectly resulting from, or in consequence of:

- (a) any deliberately fraudulent or criminal act or omission or any willful violation of any statute, law or regulation by an **Insured Person**, if a final, non-appealable adjudication in an underlying action adverse to the **Insured Person** establishes such conduct; or
- (b) the gaining of any profit, remuneration or advantage to which an **Insured** was not legally entitled, if established by a final, non-appealable adjudication in an underlying action adverse to the **Insured**.

### 4.2 Prior Noticed Circumstances

based upon, arising from, directly or indirectly resulting from, or in consequence of any circumstances notified in



writing to, and accepted by any **Insurer** under a **Policy** of which this **Policy** is a renewal or replacement and which provides coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**.

#### 4.3 Prior Claims, Proceedings

for any written demand, action or other proceeding, order, decree or judgment entered for or against any **Insured** prior to or pending at the applicable Pending or Prior Litigation Date stated in the **Declarations**, or which arises from matters substantially the same as alleged in or forming the subject matter therein.

#### 4.4 Bodily Injury and Property Damage

for bodily injury, sickness, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including **Loss** of use thereof. Provided, however, that this exclusion shall not apply to that part of a **Claim** alleging mental anguish or emotional distress.

#### 4.5 Contractual Liability

for any direct or assumed liability or obligation of others which the **Insured** has assumed under any contract or agreement except to the extent that:

- (a) the **Insured** would have been liable in the absence of such contract or agreement; or
- (b) the liability was assumed in accordance with or under the trust agreement or equivalent document pursuant to which the **Employee Benefit Plan** was established.

#### 4.6 Contributions Owed

based upon, arising out of, directly or indirectly resulting from, or in consequence of the failure to collect from the **Insured Organization** contributions it owed to any **Employee Benefit Plan**, or the failure to fund an **Employee Benefit Plan** in accordance with **ERISA**, any similar state, federal, provincial or local law, or the **Employee Benefit Plan** instrument. However, this exclusion shall not apply to **Defence Costs**, and shall not apply if the failure is due to the negligence of an **Insured Person**.

#### 4.7 Benefits Due

for benefits due or to become due under any **Employee Benefit Plan**, benefits which would be due under any **Employee Benefit Plan** if such **Employee Benefit Plan** complied with all applicable law, or that portion of any settlement or judgment which constitutes such benefits. However, this exclusion shall not apply to **Defence Costs** or to the extent that recovery for such benefit is based upon a covered **Fiduciary Wrongful Act** by an **Insured Person** and such benefits are payable as a personal obligation of such **Insured Person**.

#### 4.8 Contribution Reversion

based upon, arising out of, directly or indirectly resulting from, or in consequence of the actual or alleged return or reversion to the **Insured** of any contribution or asset of any **Employee Benefit Plan**.

#### 4.9 Discrimination

for discrimination on the basis of race, creed, gender or age, however, this exclusion shall not apply to **Defence Costs**.



For purposes of determining the application of the above exclusions, facts pertaining to or knowledge possessed by any **Insured Person** shall not be imputed to any other **Insured Person**. Only facts pertaining to or knowledge possessed by the past, present or future chief executive officer or chief financial officer of the **Insured Organization** shall be imputed to such **Insured Organization**.

## Endorsement

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**Named Insured:** Collision Kings Group Inc.  
**Policy Number:** FL-001037  
**Endorsement No.:** 1  
**Effective Date:** October 25, 2023

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### CYBER LIABILITY EXCLUSION

#### Attached to and forming part of the Management Liability Insurance Policy.

It is understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** or any other costs, fees or expenses of whatsoever nature in connection with any **Claim** based upon, arising from, directly or indirectly resulting from any **Cyber Loss**.

For the purposes of this Endorsement, the following definitions shall apply:

**Cyber Loss** means all actual or alleged loss, damage, liability, injury, compensation, sickness, disease, death, medical payment, **Claim**, cost, fee, expense of any other amount incurred by or accruing to the **Insured**, including but not limited to any mitigation cost or statutory fine or penalty, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any **Cyber Incident**.

**Cyber Incident** means:

- (a) an authorized or malicious act or series of related unauthorized or malicious acts, regardless of time and place, or the threat or hoax thereof; and/or
- (b) a failure to act, any error or omission or accident or series of related failures to act, errors or omissions or accidents; and/or
- (c) a breach of duty, statutory duty or regulatory duty or trust or a series of related breaches of duty, statutory duty or regulatory duty or trust;

involving access to, processing of, use of or operation of any **Computer System** or any data by any person or group of persons.

**Computer System** means any computer, hardware, software, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back-up facility.

Except as otherwise provided herein, all terms, provisions and conditions of the policy shall have full force and effect.

## Endorsement

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**Named Insured:** Collision Kings Group Inc.  
**Policy Number:** FL-001037  
**Endorsement No.:** 2  
**Effective Date:** October 25, 2023

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### **ABSOLUTE BODILY INJURY AND PROPERTY DAMAGE EXCLUSION**

#### **Attached to and forming part of the Management Liability Insurance Policy.**

It is understood and agreed that 4.5 Bodily Injury and Property Damages of Section 4. Exclusions of the Directors' and Officers' Liability Coverage Section is hereby deleted in its entirety and replaced with the following:

4.5 Bodily Injury and Property Damage

based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

- (a) bodily injury, sickness, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including loss of use thereof; or

Provided, however, that this exclusion shall not apply to **Defence Costs** on account of any criminal proceeding against any **Insured Person** on account of any **Claim** which is: (i) pursuant to section 217.1 of the Canadian Criminal Code R.S.C. 1985, c-C-46, or any similar provision of any criminal code in any jurisdiction; or (ii) a criminal proceeding for manslaughter (or any similar offense).

It is also understood and agreed that 4.5 Bodily Injury and Property Damages of Section 4. Exclusions of the Employment Practices Liability Coverage Section is hereby deleted in its entirety and replaced with the following:

4.5 Bodily Injury and Property Damage

based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:

- (a) bodily injury, sickness, disease or death of any person howsoever caused or damage to or destruction of any tangible property, including loss of use thereof.

Except as otherwise provided herein, all terms, provisions and conditions of the policy shall have full force and effect.

## Endorsement

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**Named Insured:** Collision Kings Group Inc.  
**Policy Number:** FL-001037  
**Endorsement No.:** 3  
**Effective Date:** October 25, 2023

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### FRANCHISE EXCLUSION

**Attached to and forming part of the Management Liability Insurance Policy.**

It is hereby understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving the selling, operations, or management of any franchise.

Except as otherwise provided herein, all terms, provisions and conditions of the policy shall have full force and effect.

## Endorsement

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**Named Insured:** Collision Kings Group Inc.  
**Policy Number:** FL-001037  
**Endorsement No.:** 4  
**Effective Date:** October 25, 2023

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### WORKPLACE VIOLENCE COSTS ENDORSEMENT

Attached to and forming part of the Management Liability Insurance Policy.

It is understood and agreed that the following amendments are made to the Employment Practices Liability Coverage Section of the **Policy**:

The following is added to Section 1. INSURING AGREEMENTS:

C. Workplace Violence Costs Coverage

The **Insurer** shall reimburse the **Insured Organization** for:

- (a) **Workplace Violence Costs** incurred by the **Insured Organization** resulting from **Workplace Violence**; or
- (b) **Stalking Threat Expenses** incurred by the **Insured Organization** resulting from a **Stalking Threat**, up to the Workplace Violence Expenses Coverage sub-limit of liability stated below.

The following definitions are added to Section 3. DEFINITIONS:

**Premises** shall mean buildings, facilities or properties occupied by the **Insured Organization** in conducting its business.

**Stalking Threat** shall mean conduct, other than **Workplace Violence**, that:

- (a) demonstrates an intent to harm an **Insured**; and
- (b) is by a person who is the subject of a temporary restraining order, injunction or similar court order, the purpose of which is to protect such **Insured** from such person.

**Stalking Threat Expenses** shall mean the reasonable fees, costs and expenses for:

- (a) an independent security consultant to assess a **Stalking Threat**;
- (b) independent security guard services for up to fifteen (15) days following a **Stalking Threat** occurrence; and
- (c) subject to the **Insurer's** prior written approval, other reasonable expenses incurred by the **Insured Organization**.

**Workplace Violence** shall mean any intentional and unlawful act:

- (a) of deadly force involving the use of a lethal weapon; or
- (b) threat of deadly force involving the display of a lethal weapon,

which occurs on or in the **Premises** and which did or could result in bodily injury or death to an **Insured Person**.

Except as otherwise provided herein, all terms, provisions and conditions of the policy shall have full force and effect.

**Workplace Violence Costs** shall mean the reasonable fees, costs and expenses for:

- (a) an independent security consultant and/or an independent public relations consultant for up to ninety (90) days following a **Workplace Violence** occurrence;
- (b) counselling seminar for **Insured Persons** conducted by an independent consultant following a **Workplace Violence** occurrence;
- (c) independent security guard services for up to fifteen (15) days following a **Workplace Violence** occurrence;
- (d) an independent forensic analyst;
- (e) compensation which the **Insured Organization** continues to pay an **Insured Person** who has been a victim of **Workplace Violence**, in the amount in effect at the time of such **Workplace Violence** and shall end when the **Insured Person** returns to work or ninety (90) days following the date such **Workplace Violence** occurs, whichever date is earlier;
- (f) compensation which the **Insured Organization** pays a newly hired person to conduct the duties of an **Insured Person** who has been a victim of **Workplace Violence** while such **Insured Person** is off work, in the amount of compensation of such **Insured Person** in effect at the time of the **Workplace Violence**, and shall end when the **Insured Person** returns to work or 90 days following the date such **Workplace Violence** occurs, whichever date is earlier;
- (g) subject to the **Insurer's** prior written approval, a reward paid by the **Insured Organization** to a person who provides information leading to the arrest and conviction of the person(s) responsible for **Workplace Violence**;
- (h) reasonable medical, cosmetic, psychiatric and dental expenses of an **Insured Person** who is a victim of **Workplace Violence**;
- (i) reasonable expenses of rest and rehabilitation of an **Insured Person** who has been a victim of **Workplace Violence**, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following the **Workplace Violence** occurrence; and
- (j) subject to the **Insurer's** prior written approval, other reasonable expenses incurred by the **Insured Organization**.

Section 4. EXCLUSIONS is amended to add the following:

The **Insurer** shall not be liable for **Stalking Threat Expenses** or **Workplace Violence Costs** under Insuring Agreement C for:

- (a) loss arising from declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, or governmental intervention, expropriation or nationalization;
- (b) legal costs, judgments and settlements incurred as the result of any claim, suit, proceeding, or action brought against an **Insured** in connection with **Workplace Violence** or **Stalking Threat**;
- (c) loss resulting from the use or threat of force or violence occurring on the **Premises** for the purpose of demanding money, securities or property; or
- (d) loss, unless the **Workplace Violence** or **Stalking Threat** occurs prior to the termination of this Policy, and is discovered and communicated in writing to the **Insurer** within 60 days following the effective date of such termination.

Coverage provided pursuant to this Endorsement, shall be subject to a sub-limit of liability of \$<Sub-Limit> each **Policy Period**. Such sub-limit shall be part of and not in addition to the **Separate Limit of Liability** and any applicable **Shared Limits of Liability** for the Employment Practices Liability Coverage Section shown in the Schedule entitled LIMIT SUMMARY in the **Declarations**.

Except as otherwise provided herein, all terms, provisions and conditions of the policy shall have full force and effect.



**THIS IS EXHIBIT "70" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

**Collision Kings Group**

CCAA 8-Week Cash Flow

Weeks Commencing (Monday) (CAD)	Initial Stay		2/19/24 Forecast	2/26/24 Forecast	3/4/24 Forecast	3/11/24 Forecast	3/18/24 Forecast	3/25/24 Forecast	8-Week Forecast
	2/7/24 Forecast	2/12/24 Forecast							
Forecast Week	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Total
<b>RECEIPTS</b>									
Accounts Receivable	[1] \$ 158,000	\$ 137,000	\$ 523,000	\$ 185,000	\$ 954,000	\$ 532,000	\$ 523,000	\$ 159,000	\$ 3,171,000
Receipts	158,000	137,000	523,000	185,000	954,000	532,000	523,000	159,000	3,171,000
<b>DISBURSEMENTS</b>									
<i>Operating Disbursements</i>									
Payroll + Source Deductions	[2] -	(370,000)	-	(380,000)	-	(380,000)	-	(380,000)	(1,510,000)
Rent	[3] -	-	-	(178,104)	-	-	-	-	(178,104)
Operating Expenses	[4] (16,001)	(5,926)	(3,782)	(91,059)	(50,756)	(5,926)	(3,782)	(14,005)	(191,238)
Parts Purchases	[5] (204,000)	(393,000)	(131,000)	(121,000)	(272,000)	(262,000)	(262,000)	(262,000)	(1,907,000)
Total Operating Disbursements	(220,001)	(768,926)	(134,782)	(770,163)	(322,756)	(647,926)	(265,782)	(656,005)	(3,786,342)
<b>Net Operating Cash Flow</b>	<b>\$ (62,001)</b>	<b>\$ (631,926)</b>	<b>\$ 388,218</b>	<b>\$ (585,163)</b>	<b>\$ 631,244</b>	<b>\$ (115,926)</b>	<b>\$ 257,218</b>	<b>\$ (497,005)</b>	<b>\$ (615,342)</b>
<i>Non-Operating Receipts &amp; Disbursements</i>									
Professional Fees	[6] -	(220,000)	-	-	(155,000)	-	-	(260,000)	(635,000)
Total Non-Operating Receipts & Disbursements	-	(220,000)	-	-	(155,000)	-	-	(260,000)	(635,000)
<b>NET CASH FLOWS</b>	<b>\$ (62,001)</b>	<b>\$ (851,926)</b>	<b>\$ 388,218</b>	<b>\$ (585,163)</b>	<b>\$ 476,244</b>	<b>\$ (115,926)</b>	<b>\$ 257,218</b>	<b>\$ (757,005)</b>	<b>\$ (1,250,342)</b>
<b>CASH</b>									
Beginning Balance	\$ 421,963	\$ 359,962	\$ 8,036	\$ 396,253	\$ 11,090	\$ 487,335	\$ 371,408	\$ 628,626	\$ 421,963
Interim Financing (Draw)	[7] -	500,000	-	200,000	-	-	-	225,000	925,000
Net Cash Inflows / (Outflows)	(62,001)	(851,926)	388,218	(585,163)	476,244	(115,926)	257,218	(757,005)	(1,250,342)
<b>ENDING CASH</b>	<b>\$ 359,962</b>	<b>\$ 8,036</b>	<b>\$ 396,253</b>	<b>\$ 11,090</b>	<b>\$ 487,335</b>	<b>\$ 371,408</b>	<b>\$ 628,626</b>	<b>\$ 96,621</b>	<b>\$ 96,621</b>
<b>INTERIM FINANCING FACILITY</b>									
Opening	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ -
Draw/ (Repayment)	-	500,000	-	200,000	-	-	-	225,000	925,000
<b>ENDING INTERIM FINANCING FACILITY</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>	<b>\$ 925,000</b>	<b>\$ 925,000</b>

Collision Kings Group

Mark Jones, CFO

**Notes:**

Management of Collision Kings Group has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of CKG during the period of February 7, 2024 to March 31, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1-7. Consequently, actual results will likely vary from actual performance and such variances may be material.

- [1] Estimated collections of existing and ongoing trade accounts receivable, with the timing of forecast receipts based on historical monthly trends and known payment dates for insurance companies.
- [2] Semi-monthly payroll (inclusive of ongoing payroll source deduction remittances).
- [3] Monthly rents for all leased locations.
- [4] Includes payments for certain equipment/vehicle leases, bank charges, employee benefits, and other fixed monthly expenses related to the operations of the business.
- [5] Payments relating to purchases of parts, new materials and services to complete repairs of vehicles.
- [6] Professional fees relate to the Company's legal counsel, the Proposed Monitor and Proposed Monitor's legal counsel.
- [7] Interim Financing consists of advances under the Interim Facility.

**THIS IS EXHIBIT "71" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



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**Kaitlin Ward, Barrister & Solicitor**

## SUMMARY OF TERMS AND CONDITIONS

### CREDIT FACILITY FOR

**CMD HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD. 2199931 ALBERTA LTD., COLLISION KINGS 3 LTD., ARROW AUTO BODY Ltd., CMD GLASS LTD., ROYAL VISTA COLLISION LTD. and STATHKO INVESTMENTS LTD.**

### PROVIDED BY THE TORONTO-DOMINION BANK

January 31, 2024

The Lender hereby commits to provide the Credit Facility to the Borrowers upon the terms and subject to the conditions set forth in this binding term sheet (this "**Term Sheet**"). Capitalized terms used herein without express definition will have the same meanings as are assigned to them in Schedule A. Any word defined in or importing the singular number has the same meaning when used in the plural number, and *vice versa*.

- 1. Lender(s)** The Toronto-Dominion Bank ("**TD**") or its affiliates and/or other lenders to be designated from time to time by TD without the prior written consent of the Borrowers (each a "**Lender**").
- 2. Borrower(s)** CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd. 2199931 Alberta Ltd., Collision Kings 3 Ltd. Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., and Stathko Investments Ltd (collectively, the "**Borrowers**" and each a "**Borrower**").
- 3. Guarantor(s):** Collision Kings Group Inc., Nick's Repair Service Ltd., and Bunzy's Auto Body Ltd. (collectively the "**Guarantors**" and each a "**Guarantor**").
- 4. Currency** Unless otherwise noted, the currency of the Credit Facility shall be Canadian Dollars ("**CAD**").
- 5. Credit Facility** A super-priority, debtor in possession, non-revolving interim-financing facility (the "**Credit Facility**" or the "**Facility**") in the maximum amount of \$1,125,000 (the "**Maximum Amount**"). For greater certainty, any interest, expenses or fees that are capitalized and added to the principal amount owing hereunder as contemplated by the terms hereof shall not constitute part of the Maximum Amount, and the Borrowers are and shall be permitted to borrow up to the Maximum Amount without taking into account any such capitalized amounts, subject to the terms and conditions hereof.
- 6. Use of Proceeds** Funds advanced under the Credit Facility shall be used to fund the Borrower's working capital needs during the CCAA Proceedings.
- 7. Advances:** Advances under the Credit Facility ("**Advances**") shall be made pursuant to the Cash Flow Forecast and, as applicable, subject to satisfaction of the covenants set out herein. Advances for payables not set out on the Cash Flow Forecast may be made at the sole discretion of the Lender.

Advances shall be disbursed by the Lender to the Borrowers on a weekly basis or as deemed necessary in the sole discretion of the Lender. The Lender shall have the right to cease making or withhold Advances if any of the milestone dates in set forth in Schedule “B” are not met or otherwise complied with.

#### 8. Interest Rate

Amounts drawn and outstanding under the Credit Facility will bear interest at TD's Prime Rate + 4.8% per annum.

Interest on the principal amount outstanding under the Credit Facility shall be capitalized monthly in arrears and payable on the Termination Date (defined below).

Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

#### 9. Fees

##### **Commitment Fee**

A fee of \$25,000 which shall be deemed fully earned upon issuance of the Initial Order and paid on the Termination Date.

#### 10. Out-of-Pocket Expenses

The Borrower shall be responsible for all reasonable and documented out-of-pocket fees and expenses incurred by the Lender, including, without limitation, legal fees (on a solicitor and own client, full indemnity basis) and disbursements, audit, monitoring and valuation fees, travel and advisor fees incurred in connection with the Credit Facility, this Term Sheet, the CCAA Proceedings and/or the enforcement of the Lender's rights under the Term Sheet, the Initial Order, the A&R Initial Order, and the Interim Lender's Charge (collectively, the “**Recoverable Expenses**”). The Recoverable Expenses shall be secured by the Interim Lender's Charge and paid by the Borrower on demand and/or from the proceeds of each Advance.

#### 11. Term of Credit Facility; Maturity Date

The term of the Credit Facility will be the earlier of (a) four (4) months from the date of the initial Advance under the Credit Facility (the “**Maturity Date**”), and (b) any other Termination Date.

The Lender shall have the right to terminate the Credit Facility upon the occurrence of an Event of Default in accordance with the terms of this Term Sheet and any applicable orders of the Court.

The Credit Facility may be terminated with the consent of both the Lender and the Borrowers, at which time, all accrued interest, principal, fees and Recoverable Expenses owing shall be paid in cash to the Lender on such Termination Date.

The Lender shall have the right to cease making or withhold Advances if any of the milestone dates in set forth in Schedule “B” are not met or otherwise complied with.

The date on which all outstanding principal and interest under the Credit Facility shall become due and payable will be termed the “**Termination Date**” and will be the date which is the earliest to occur of the following:

- (a) Maturity Date;
- (b) The date on which any Event of Default occurs or is discovered to have occurred in the past and the Lender has terminated the Credit Facility by notice to the Borrowers (as provided herein);
- (c) Unless consented to by the Lender, the date on which the SISP terminates;
- (d) The date of the closing of a sale of all or a portion of the Collateral pursuant to the SISP;
- (e) The date of a liquidity event, reorganization event, or Change of Control pursuant to the SISP and/or Approval and Vesting Order; and
- (f) Unless waived or otherwise consented to by the Lender, or subject to (e) above, the date on which all or any of the Borrowers and/or the Guarantors undertake a liquidity event, reorganization event, or Change of Control.

**12. Interim Lender’s Charge and Security:**

The Credit Facility shall be secured by a first ranking super-priority security interest in, and during the pendency of the CCAA Proceedings, a first-ranking super-priority interim lender’s charge (the “**Interim Lender’s Charge**”) on:

- (a) all present and after acquired property of the Borrowers; and
- (b) all present and after acquired property of the Guarantors;

(collectively, the “**Collateral**”).

As security for the indebtedness and obligations of the Borrowers to the Lender, each Borrower and each Guarantor shall each execute and deliver to the Lender, upon request, any mortgages, charges, security agreements and other documentation as may be required by the Lender to secure, perfect and maintain the Lender's first priority interest over the Collateral (collectively, the "**Security**"), all which shall be in form and content acceptable to the Lender.

The security interest in the Collateral shall only be subordinate to the Administration Charge (as defined in the Initial Order and the A&R Initial Order) and only up to the amounts set out in the Initial Order and the A&R Initial Order.

**13. Mandatory Repayment**

Subject to the priority of the Administration Charge, if any Borrower or Guarantor (with the prior written consent of the Lender) disposes, transfers or sells any Collateral outside the ordinary course of business, the proceeds of such sale (net only of usual closing adjustments), up to the total amount of the Borrowers' indebtedness to the Lender under the Credit Facility, shall be paid to the Lender promptly following closing and applied against the indebtedness owing to the Lender under the Credit Facility. Any such repayment by a Borrower shall constitute a permanent reduction of the availability and commitment under the Credit Facility.

**14. Conditions Precedent to First Advance**

The obligation of the Lender to make the Credit Facility available to any of the Borrowers and to fund an initial Advance under the Credit Facility are subject to and conditional upon satisfaction (or waiver by the Lender) of the following conditions precedent:

- (a) Obtaining the Initial Order for the initial Advance;
- (b) Obtaining the A&R Initial Order;
- (c) the Court shall have on or before February 7, 2024 made the following orders, in form satisfactory to the Lender, and these orders shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified with out the consent of the Lender;
  - (i) an order approving the Credit Facility and this Term Sheet and granting the Interim Lender's Charge over the Collateral securing all obligations under this Term Sheet; and
  - (ii) an order approving the Stalking Horse APA and SISP;
- (d) completion of all due diligence (including financial, legal and insurance) by the Lender with a satisfactory result;

- (e) each of the representations and warranties made by each of the Borrowers and each Guarantor to the Lender shall be true and correct in all material respects;
- (f) no Material Adverse Change since the granting of the Initial Order, other than any Material Adverse Change previously disclosed in writing to the Lender;
- (g) receipt of, and approval by the Lender, of the Cash Flow Forecast; and
- (h) no Event of Default shall have occurred.

**15. Conditions Precedent to each Subsequent Advance under the Credit Facility**

The following conditions precedent shall be satisfied, or waived by the Lender, prior to each subsequent advance under the Credit Facility:

- (a) the issuance of the A&R Initial Order;
- (b) delivery to the Lender of a drawdown request by a Borrower;
- (c) the Initial Order or the A&R Initial Order must not be vacated, stayed, amended (without the Lender's consent), appealed or otherwise caused to become ineffective;
- (d) each of the representations and warranties made by the Borrower in this Term Sheet shall be true and correct in all material respects as of the date made or deemed made (other than to the extent any representation and warranty relate specifically to an earlier date);
- (e) receipt by the Lender of satisfactory evidence that the Borrowers, on a consolidated basis, have met the Target Revenue Test;
- (f) receipt by the Lender of satisfactory confirmation that:
  - (i) disbursements for non-inventory operating expenses do not deviate greater than 10% (on an aggregate basis over the SISP) from the forecasted values per the Cash Flow Forecast. For clarity, inventory items include parts, paint and other inputs required to complete repairs to vehicles for the purpose of generating revenue; and
  - (ii) the requirements under the Changes in Employees Test are satisfied; and



- (g) no Event of Default shall have occurred and be continuing, nor will any Event of Default occur as a result of the requested advance.

## 16. Facility Covenants

So long as the Credit Facility is in effect, and until the obligations of the Borrowers to the Lender under the Credit Facility have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Lender or as contemplated in respect of the SISP, each Borrower on a joint and several basis, covenants and agrees with the Lender that it:

- (a) will pay all sums of money when due under the terms of the Credit Documents;
- (b) will immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- (c) will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and source deduction, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (d) will give the Lender, as applicable, 30 days prior notice in writing of any Change of Control, and unless otherwise expressly waived by the Lender in writing, the Borrowers (on a consolidated basis) must repay all amounts outstanding under the Credit Facility prior to, or concurrently with, any Change of Control;
- (e) will comply in all material respects with all applicable laws, including all Environmental Laws;
- (f) will immediately advise the Lender of any material action requests or material violation notices received concerning it and hold the Lender harmless from and against any losses, costs or expenses which the Lender may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such losses, costs or expenses have resulted from the gross negligence, bad faith or wilful misconduct of the Lender;
- (g) will immediately advise the Lender of any unfavourable change in its financial position which may adversely

affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents;

- (h) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils and shall provide the Lender with copies of certificates of insurance evidencing same;
- (i) will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Lender is permitted to do the following at any time and without notice) permit the Lender or its representatives, from time to time, upon reasonable prior written notice and during normal business hours, i) to visit and inspect the Borrowers' premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and ii) to discuss the Borrowers' affairs with the auditors of a Borrower (in the presence of the Borrower's representatives as it may designate). Each Borrower hereby authorizes and directs any such third party to provide to the Lender or its representatives all such information, records or documentation reasonably requested by the Lender;
- (j) except for Permitted Encumbrances, will not, without the prior written consent of the Lender which will not be unreasonably withheld, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) will not, without the prior written consent of the Lender, incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) will not, without the prior written consent of the Lender, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings (a) to any third party, other than (i) in the ordinary course of business and on arm's-length, commercially reasonable terms; (ii) obsolete or otherwise superfluous tangible assets; (iii) the shares/equity interests of any non-wholly owned subsidiaries of a Borrower or any Guarantor and any minority interests held by a Borrower or a Guarantor, provided that such proceeds of any sale or disposal of

shares/equity interests owned by a Borrower or a Guarantor shall be used first to pay down the principal balances outstanding under the Credit Facility;

- (m) will not acquire or move any Collateral to any jurisdiction outside the Provinces of Alberta, Saskatchewan or Manitoba or any other jurisdiction where the Lender has perfected its Security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Lender a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Lender;
- (n) will not provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other person, other than Permitted Indebtedness;
- (o) will not merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- (p) will not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, other than Permitted Indebtedness and as contemplated by the Cash Flow Forecast;
- (q) will not make any disbursements or provide any funding to any entity which is not an applicant in the CCAA Proceedings or a Guarantor, unless otherwise authorized under the CCAA Proceedings;
- (r) will fully cooperate with each party conducting any field exam or due diligence on behalf of the Lender and will permit and reimburse the Lender for all costs associated with any appraisals;
- (s) will provide information upon request by the Lender as it relates to any vendor number or similar identification of a Borrower by its end customers and/or suppliers;
- (t) will notify the Lender within one (1) Business Day of any Account Debtor notifying such Borrower that they are contesting any invoice;

- (u) will pay only those expenditures set out in the Cash Flow Forecast, or such other expenditures the Lender and Monitor consent to in writing, as outlined in greater detail in the Cash Flow Forecast section below;
- (v) will provide to the Lender on a weekly basis a statement setting out all payments, disbursements and transfers of money proposed to be made by the Borrowers during the following week and will make only those payments, disbursements and transfers that are set out in the Cash Flow Forecast or otherwise consented to by the Lender, as outlined in greater detail in the Cash Flow Forecast section below;
- (w) will not create or grant any security (other than the Administration Charge, Interim Lender's Charge or any other charges granted pursuant to the Initial Order or the A&R Initial Order) over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the Interim Lender's Charge;
- (x) will provide the Lender with any financial or other information reasonably requested by the Lender, including but not limited to, providing a draft of the working capital calculation (as required under the Stalking Horse APA) along with all underlying supporting schedules, if the Stalking Horse is the Successful Bidder;
- (y) will promptly on the receipt by a Borrower of the same, give the Lender a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order or the A&R Initial Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the Interim Lender's Charge, or otherwise for the variation of the priority of the Interim Lender's Charge; and
- (z) will comply with and deliver the Cash Flow Forecast, and will comply with the Cash Flow Variance Threshold, the Target Revenue Test and the Change in Employees Test.

**17. Cash Flow Forecast**

Commencing on the Closing Date, and continuing weekly thereafter, by 5:00p.m. (Calgary time) on each Tuesday, the Borrowers, **on a consolidated basis**, shall prepare and provide, in form and substance satisfactory to the Lender in its sole and absolute discretion, a line item cash flow forecast (receipts and disbursement forecast), and supported by aged listings of accounts payable, inclusive of critical payments and

statutory obligations, covering the period of at least 13 calendar weeks (the "**Cash Flow Forecast**"). The Cash Flow Forecast shall set forth expected receipts and all of the operating and capital expenditure (if any) to be made during each calendar week and in the aggregate for the period of time covered by the Cash Flow Forecast.

Commencing on February 13, 2024 and continuing weekly thereafter, the Borrowers shall by 5:00 p.m. (Calgary time) on each Tuesday (each a "**Variance Testing Date**") deliver to the Lender report and variance analysis showing actual cash receipts and actual expenditures for each line item in the Cash Flow Forecast covering the weeks since the Filing Date and comparing the foregoing amounts to the Cash Flow Forecast cash receipts and expenditures.

The Borrowers shall, and if requested by the Lender shall use commercially reasonable efforts to cause their non-legal advisors (if any) and the Monitor to, participate on weekly conference calls with the Lender, and its respective advisors, to discuss the then current Cash Flow Forecast, the Borrowers' current and projected operational performance and any related financial matters.

The Borrowers shall ensure that when measured as of each Variance Testing Date, that each of the following is met:

- I. Except as otherwise agreed by the Lender, the Borrowers' total expenditures (on consolidated basis, excluding any fees its counsel, the Monitor or its counsel) for the prior two week period shall not have exceeded 125% (the "**Cash Flow Variance Threshold**") of the amount of total expenditures for such prior two week period as set forth in the most recent Cash Flow Forecast. The Borrowers shall not be permitted to incur extraordinary expenses except with the prior written consent of the Monitor and Lender; and
- II. The Borrowers', with the assistance of the Monitor, shall provide detailed bridges (quantitative explanations of the forecast-to-actual variances) for each line-item of the then current Cash Flow Forecast as well as for any other line item variances outside of the management's direct control, that impact the overall consolidated cash flow results.

#### **18. Target Revenue Test**

The Borrowers, on a consolidated basis, shall ensure that when measured as of each Variance Testing Date, the following cash flow test (the "**Target Revenue Test**") is met:

- I. Except as otherwise agreed by the Lender, the Relevant Borrowers' average Recorded Revenue (on a consolidated basis) for each calendar week period shall not be less than \$325,000. For purposes of this Target Revenue Test:

- (a) Relevant Borrowers means the Borrowers excluding Mayland Heights Collision Ltd., CMD Glass Ltd. and Royal Vista Collision Ltd., and
- (b) Recorded Revenue means the aggregate of (i) all closed and completed work and (ii) all completed but unbilled work, with such Recorded Revenue to be calculated on a rolling two week period.

**19. Change in Employees Test**

Commencing on the first Tuesday following the Closing Date, and continuing weekly thereafter, by 5:00p.m. (Calgary time) on each Tuesday, the Borrowers, **on a consolidated basis**, shall provide the Lender with a report detailing the weekly change in employee list for all Borrowers. The list is to include a listing of all departing and all hired employees during the prior calendar week, and the total on an aggregate basis of the total net employees that have departed, if any, since the Closing Date. Except as otherwise agreed by the Lender, the Borrowers (on a consolidated basis) are to have no more than twelve (12) employees, on a net basis, terminate their employment with the Borrowers (on a consolidated basis) from and after the Closing Date (the **"Change in Employees Test"**).

**20. Representations and Warranties**

The Borrowers and the Guarantors, on a joint and several basis, represent and warrant (subject to obtaining the Initial Order and A&R Initial Order, where applicable) to the Lender, upon which the Lender rely on in entering this Term Sheet that:

- (a) each Borrower and each Guarantor is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary;
- (b) each Borrower and each Guarantor has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business and (ii) to enter into and perform its obligations under this Term Sheet and the other Credit Documents to which it is a party;
- (c) the execution and delivery by each Borrower and each Guarantor of this Term Sheet and the other Credit Documents to which it is a party and the performance by such Borrower of its respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization under any applicable law, and no registration, qualification,

designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the Interim Lender's Charge;

- (d) this Term Sheet and each of the other Credit Documents to which each Borrower and each Guarantor is a party has been, or will, be duly executed and delivered by each such Borrower and Guarantor and constitutes a legal, valid and binding obligation of such Borrower and Guarantor, enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (e) the Collateral (i) is owned by the Borrowers or the Guarantors, as applicable, and is only located at the locations disclosed in writing to the Lender, (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances;
- (f) the execution and delivery by each Borrower and the Guarantor of this Term Sheet and the other Credit Documents to which each is a party and the performance by each Borrower and each Guarantor of its obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constituting documents or by-laws; or (iii) any applicable law;
- (g) all statements (whether financial or otherwise), information, reports, budgets, forecasts and projections made available by each Borrower or anyone on its behalf to the Lender are true, complete and accurate in all material respects and do not omit any information necessary to make them true, complete and accurate in all material respects;
- (h) the business operations of each Borrower have been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on, other than to the extent non-compliance would not cause a Material Adverse Change;

- (i) each Borrower has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of such Borrower, threatened to revoke or amend any of such licenses or permits;
- (j) other than as disclosed to the Lender, (i) neither the Borrowers nor the Guarantors are aware of any person with a secured claim against any Borrower, any Guarantor or the Collateral except for the Permitted Encumbrances and the relevant tax authorities and (ii) none of the Borrowers is aware of any unpaid deductions at source owing to the relevant tax authorities;
- (k) other than as disclosed to the Lender, each Borrower and each Guarantor have filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except for those the Lender has been advised of in writing, taxes that are being contested in good faith by appropriate proceedings, and for which adequate cash reserves are being maintained;
- (l) other than as disclosed to the Lender, and excluding the CCAA Proceedings and any claims and litigation proceedings stayed by the Initial Order and A&R Initial Order, there are no material actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of the Borrowers, threatened against or affecting any Borrower;
- (m) each Borrower and each Guarantor maintains insurance policies and coverage which (i) is sufficient for compliance with law and all material agreements to which the Borrower is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of each Borrower and each Guarantor; and
- (n) all factual information provided by or on behalf of each Borrower and each Guarantor given to the Lender for the purposes of or in connection with this Term Sheet, the other Credit Documents or any transaction contemplated herein is true and accurate in all material respects on the



date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

## 21. Remedies and Enforcement

Following the occurrence of an Event of Default, the Lender shall have the right to immediately cease making Advances to the Borrowers and, upon four (4) Business Days written notice to the Borrowers, the Lender shall have the right to:

- (a) enforce the Interim Lender's Charge and realize on the Collateral and any other property secured by the Interim Lender's Charge;
- (b) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Alberta) or any legislation of similar effect;
- (c) apply to the Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Borrower and Guarantors and for the appointment of a trustee in bankruptcy of the Borrowers and Guarantors; and
- (d) exercise all such other rights and remedies available to the Lender pursuant to this Term Sheet, the Initial Order, the A&R Initial Order, the Credit Documents and/or any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

## 22. Target Closing Date

The target date for the closing of this Credit Facility is based on a verbally indicated date of on or before February 7, 2024. The Borrower will seek to obtain the Initial Order at a hearing on or before February 7, 2024 on notice to the service list in the CCAA Proceedings and such other parties as the Borrower or the Lender consider appropriate.

## 23. Amendments/Waivers

This Term Sheet may not be amended nor waived except by an instrument in writing signed by each Borrower, each Guarantor and the Lender, provided however, the dates on Schedule B may be increased or extended the Lender (acting reasonably) without the consent of the Borrowers or Guarantor, provided that the Lender shall consult with the Borrowers and Monitor in respect of such amendment or supplement.

- 24. Successors and Assigns; Enurement** This Term Sheet shall be binding upon and enure to the benefit of the Lender, the Borrowers, the Guarantors and their respective successors and permitted assigns.
- 25. Assignment** Neither any Borrower nor any Guarantor shall assign any of its rights or obligations under this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of the Lender. The Lender may assign, sell or participate its rights or obligations with respect to this Term Sheet or any of the Credit Documents to any Person, without the prior written consent of any Borrower or Guarantor.
- 26. Governing Law** This Term Sheet shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and the Lender and each Borrower irrevocably attorns to the exclusive jurisdiction of the courts of Alberta.
- 27. Execution in Counterparts; Electronic Signatures** This Term Sheet maybe executed in counterparts and delivered electronically. Each counterpart will be binding as against each signatory or signatories as reflected, regardless of when signatures of all parties are ultimately obtained and collated. Each executed counterpart shall constitute a binding Agreement and all executed counterparts, when taken together, shall constitute one document.
- The Parties agree that the electronic signatures, whether digital or encrypted, of the parties included in this Term Sheet are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record. Delivery of an executed copy of this Term Sheet by facsimile or electronic transmission constitutes valid and effective delivery.
- 28. Further Assurances** The Borrowers and Guarantors will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to any other provisions set out hereunder
- 29. Lender Counsel:** Dentons Canada LLP
- 30. Expiry** Please indicate your acceptance of the terms hereof by returning to the Lender an executed counterpart to this Term Sheet not later than 5:00 p.m. (Calgary time) on February 1, 2024. The Lender's commitments and agreements herein will expire at such time in the event the Lender has not received such executed counterpart from the Borrower and Guarantor in accordance with the immediately preceding sentence.

*[Signature Page Follows]*



Accepted this 31<sup>ST</sup> day of JANUARY, 2024

Borrowers:

**CMD Holdings Inc.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**East Lake Collision Ltd.**


Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Mayland Heights Collision Ltd.**


Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Sunridge Collision Ltd.**


Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**2199931 Alberta Ltd.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Collision Kings 3 Ltd.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Arrow Auto Body Ltd.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Stathko Investments Ltd.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Royal Vista Collision Ltd.**


Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**CMD Glass Ltd.**

Per: 


Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

Guarantors:

**Nick's Repair Service Ltd.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Bunzy's Auto Body Ltd**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**Collision Kings Group Inc.**

Per: 

Name: Shane Daerden

Title: Authorized Signatory

I have authority to bind the corporation.

**SCHEDULE A  
DEFINED TERMS**

<b>“Account Debtor”</b>	means any party which owes any amount under invoices owing to the Borrower.
<b>“Approval and Vesting Order”</b>	means any order (or reverse vesting order) of the Court approving the sale of the assets, properties and undertakings of the Borrowers and/or the Guarantors.
<b>“A&amp;R Initial Order”</b>	<p>means and order to be granted by the Court at the comeback hearing of the Initial Order, in form and substance satisfactory to the Lender and its counsel, acting reasonably, pursuant to which, among other things:</p> <ul style="list-style-type: none"><li>(a) the Initial Order shall be amended and restated;</li><li>(b) the amount of the Interim Lender’s Charge shall be increased to cover the Maximum amount plus interest, fees and expenses and provide for the priority of the Security in the Collateral in form and substance satisfactory to the Lender and its counsel, acting reasonably;</li><li>(c) the stay period should be extended to cover the SISP;</li></ul> <p>as amended, restated, supplemented and/or modified from time to time.</p>
<b>“Business Day”</b>	Any day that is not a Saturday or Sunday or a day recognized as a statutory holiday in the Provinces of Alberta or Manitoba, Canada or the country of Canada. If a required payment falls on a non -business day, then such payment shall be made on the next Business Day.
<b>“CCAA”</b>	Means the <i>Companies’ Creditors Arrangement Act</i> (Canada), as amended, RSC, 1985, c C-36.
<b>“CCAA Proceedings”</b>	means the proceedings to be commenced by Borrowers and the Guarantors pursuant to the CCAA.
<b>“Change of Control”</b>	means either (i) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of a Borrower or a Guarantor (B) any material business of the Borrower, (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (ii) any transaction or series of transactions whereby any Person or group of Persons, acting jointly

or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of a Borrower.

- “Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.
- “Court”** means the Alberta Court of King’s Bench.
- “Credit Documents”** means, collectively, this Term Sheet, the Security, and all other documents contemplated by this Term Sheet and the Security.
- “Environmental Activity”** means any activity, event or circumstance in respect of a contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release into the natural environment, including movement through or in the air, soil, surface water or groundwater.
- “Environmental Laws”** means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.
- “Event of Default”** Means, following the granting of the Initial Order, the occurrence of any one or more of the following:
- (a) if a Borrower at any time shall fail to pay or perform with regard to the obligation to repay the principal and interest on any Advance, to pay for any adjustment, or to make any remittance on the date required by the Credit Documents for such payment;
  - (b) if a Borrower ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding up or liquidation of a Borrower;
  - (c) if a Borrower commits an act of bankruptcy (other than under the CCAA Proceedings);
  - (d) if a Borrower fails to meet any of the Milestone Dates and the Lender does not agree to amend or extend any such Milestone Dates;
  - (e) if a Change of Control occurs, other than as contemplated in the SISP;

- (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any material part thereof;
- (g) excluding amounts that are subject to the stay of proceedings under the Initial Order, if a Borrower permits any sum which has been admitted as due by the Borrower or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Interim Lender's Charge to remain unpaid after proceedings have been taken to enforce such charge;
- (h) if any representation or warranty made by a Borrower or any of its officers, employees or agents to the Lender shall be false or inaccurate in any material respect and such representation and warranty is not thereafter made true and correct within four (4) Business Days of the Borrower becoming aware of it being false or inaccurate;
- (i) if there will have occurred any event of circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;
- (j) if any amount of proceeds of any Collateral is deposited to any bank account of a Borrower that is not subject to the Security (other than amounts deposited with the Monitor or other party in escrow for the benefit of the Borrower);
- (k) if any license, permit or approval required by any law, regulation or governmental policy or any governmental authority for the operation by the Borrower of its business shall be withdrawn, materially altered in a manner materially detrimental to the business of such license holder, or cancelled and all such appeal periods have expired; or
- (l) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money in an amount, individually or in the aggregate, of at least \$250,000 (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall have been obtained or entered against a Borrower following receipt of the Initial Order, unless such judgment, execution, writ of seizure and sale, sequestration or



decree is and remains vacated, discharged or stayed pending appeal within the applicable appeal period.

**“Initial Order”**

means the Initial Order to be granted by the Court, in form and substance satisfactory to the Lender and its counsel, acting reasonably, pursuant to which, among other things:

- (a) the Borrowers, Guarantors, and certain of their affiliates and subsidiaries will seek creditor protection under the CCAA;
- (b) the SISP and Stalking Horse APA are approved;
- (c) the Interim Lender’s Charge is approved and the Initial Order provides for the priority of the Security in the Collateral in form and substance satisfactory to the Lender and its counsel, acting reasonably;

as amended, restated, supplemented and/or modified from time to time.

**“Interim Lender’s Charge”**

means a first-ranking super-priority interim lender’s charge on all present and after acquired property of the Borrowers and the Guarantors. For certainty, the Initial Order will have an Interim Lender’s Charge of \$600,000, plus interest, costs and expenses, and the A&R Initial Order will increase the Interim Lender’s Charge to the Maximum Amount, plus interest, costs and expenses.

**“Lien”**

means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

**“Material Adverse Change”**

means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Credit Documents or any of the security interests provided for thereunder, (b) the right or ability of a Borrower to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, (c) the financial condition, assets, business or prospects of the Borrowers, taken as a whole, (d) any Material Permit, (e) the Borrowers’ ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Lender under any of the Credit Documents; provided that, the commencement and continuation of the CCAA Proceedings will not constitute a Material Adverse Change.

- “Milestone Dates”** means the dates set out in Schedule B.
- “Parties”** means the Lender, the Borrowers and the Guarantors, and the term **“Party”** shall mean any one of such Parties.
- “Permitted Encumbrances”** means, collectively:
- (a) Liens granted under the Initial Order;
  - (b) Liens granted under the A&R Initial Order;
  - (c) Liens granted in favor of the Lender pursuant to the Credit Documents and the Interim Lender’s Charge;
  - (d) Subordinated Liens;
  - (e) Liens granted in favor of a lessor of vehicles, provided that such Liens attach only to such leased vehicles and the proceeds thereof and do not attach to any other Collateral and such lien has been expressly approved and consented to by the Lender;
  - (f) existing equipment leases and related arrangements;
  - (g) liens for taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
  - (h) undetermined or inchoate liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised and of which none of the Lender has been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
  - (i) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use

of the affected land for the purpose for which it is used by that Person;

- (j) the right reserved to or vested in any governmental authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (k) security given to a public utility or any governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- (l) a Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default;
- (m) a Lien in favour of a financial institution to secure indebtedness including under letters of credit, corporate credit cards and/or other cash management.

**“Permitted Indebtedness”** shall include:

- (a) intercompany indebtedness owing by a Borrower to a Guarantor, or by a Guarantor to a Borrower;
- (b) trade payables incurred in the ordinary course of business pursuant to the Cash Flow Forecast; and
- (c) any other indebtedness approved by the Lender.

**“Person”** means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity.

**“SISP”** means the sales and investment solicitation process to be undertaken by the Borrowers and the Guarantors pursuant to the Initial Order.

**“Stalking Horse”** means Lift Auto Group Operating Corporation.

- “Stalking Horse APA”** means the asset purchase agreement entered into between the Borrowers, the Guarantors, on the one hand, and the Stalking Horse, on the other hand, with respect to the purchase and sale of the assets (as defined therein), in form and substance satisfactory to the Lender.
- “Subordinated Lien”** means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Lender, that such Lien shall at all times be subordinated and postponed in favor of the Liens granted in favor of the Lender.
- “TD Prime Rate”** means the rate of interest per annum (based on a 365 day year) established and reported by the Lender to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Lender charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by the Lender in Canada.

## SCHEDULE B

### MILESTONE DATES

The following events are to occur by the dates set forth below, unless otherwise agreed to by the Lender and the Borrowers in writing:

February 7, 2024	Debtor to create list of Known Potential Bidders
February 7, 2024	Monitor to prepare and have the Data Room available for Potential Bidders
February 7, 2024	Issuance of Initial Order, including Interim Financing Charge and Approval of the SISP
February 10, 2024	Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders
March 8, 2024	Bid Deadline
March 13, 2024	Auction [if required]
March 18-22	Transaction Approval Application Hearing (if required)
March 29, 2024	Closing Date Deadline (other than Stalking Horse APA)

Capitalized terms used in this Schedule B not otherwise defined in this Term Sheet have the meanings ascribed thereto in the SISP.

**THIS IS EXHIBIT "72" TO THE  
AFFIDAVIT OF SHANE DAERDEN  
SWORN BEFORE ME AT CALGARY, ALBERTA  
This 30<sup>th</sup> day of January, 2024.**



---

**Kaitlin Ward, Barrister & Solicitor**

**EXECUTION VERSION**

**ASSET PURCHASE AGREEMENT**

**by and among**

**2199931 ALBERTA LTD.**

**and**

**COLLISION KINGS 3 LTD.**

**and**

**ARROW AUTO BODY LTD.**

**and**

**SUNRIDGE COLLISION LTD.**

**and**

**EAST LAKE COLLISION LTD.**

**and**

**STATHKO INVESTMENTS LTD.**

**and**

**NICK'S REPAIRS SERVICE LTD.**

**and**

**10026923 MANITOBA LTD.**

**and**

**BUNZY'S AUTO BODY LTD.**

**and**

**CMD HOLDINGS INC.**

**and**

**LIFT AUTO GROUP OPERATING CORPORATION**

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**ASSET PURCHASE AGREEMENT**

THIS AGREEMENT is made as of the 31<sup>st</sup> day of January, 2024 (the “**Execution Date**”).

AMONG:

**2199931 ALBERTA LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2200, 10235 - 101 Street NW, Edmonton, Alberta T5J 3G1

(“**2199931**”)

AND:

**COLLISION KINGS 3 LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2200, 10235 - 101 Street NW, Edmonton, Alberta T5J 3G1

(“**Kings**”)

AND:

**ARROW AUTO BODY LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**Arrow**”)

AND:

**SUNRIDGE COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**Sunridge**”)

AND:

**EAST LAKE COLLISION LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**East Lake**”)

AND:

**STATHKO INVESTMENTS LTD.**, a company duly incorporated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**Stathko**”)

AND:

**NICK'S REPAIRS SERVICE LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**Nick’s Repair**”)

AND:

**10026923 MANITOBA LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**10026923**”)

AND:

**BUNZY'S AUTO BODY LTD.**, a company duly amalgamated in the Province of Manitoba with a registered and records office at 30<sup>th</sup> Floor – 360 Main Street, Winnipeg, MB R3C 4G1

(“**Bunzy**”)

AND:

**CMD HOLDINGS INC.**, a company duly amalgamated in the Province of Alberta with a registered and records office at 2100, 222 – 3 Avenue, SW, Calgary, Alberta T2P 0B4

(“**CMD Holdings**” and together with 2199931, Kings, Arrow, Sunridge, East lake, Stathko, Nick’s Repair, 10026923 and Bunzy, the “**Vendors**” and each of them individually a “**Vendor**”)

AND:

**LIFT AUTO GROUP OPERATING CORPORATION**, a company duly amalgamated and having a registered and records office at 1800-1631 Dickson Avenue, Kelowna, B.C. V1Y 0B5;

(the “**Purchaser**”)

**WHEREAS:**

- A. Whereas the Vendors intend to commence the CCAA Proceedings and apply to the Court for relief under the provisions of the CCAA pursuant to the Initial Order of the Court, which, among other things, is proposed to provide for the appointment of FTI Consulting Canada Inc. as Monitor in connection with the CCAA Proceedings.
- B. The Vendors currently own and operate the Business (hereafter defined) and own or hold under lease (as set out herein) the Purchased Assets used in connection with the Business.

- C. The Purchaser has made an offer to the Vendors to purchase the Purchased Assets and the Business as a going concern on the terms and conditions of this Agreement and the Vendors wish to accept such offer for the Purchased Assets and the Business as the Stalking Horse Bid, as defined in the SISP Procedure, in accordance with the SISP Procedure.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the covenants, agreements, representations and warranties set out below, the parties covenant and agree as follows:

## **1. INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith or unless otherwise specifically provided:

- (a) **“Accounting Standards”** means the accounting standards that the Chartered Professional Accountants of Canada (“CPAC”) have determined are applicable to the Vendors, based on the nature of the Vendors, and, if CPAC has determined that the Vendors may choose between two sets of standards, then it means the set of standards the Vendors have chosen to have apply to them;
- (b) **“Accounts Receivable”** means all accounts receivable, trade accounts, notes receivable and other debts owing to the Vendors, including specifically all future or potential accounts receivable related to or arising from files “completed and closed” and files “completed but not closed”. For greater clarity “completed but not closed files” requires that a customer’s vehicle has been returned to them upon completion of repairs.
- (c) **“Adjustment Payment Date”** means the fifth Business Day after the final determination of the Closing Date Working Capital;
- (d) **“Affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and, for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (e) **“Agreement”** means this Agreement and all other recitals and schedules, as amended and supplemented from time to time;
- (f) **“Applicable Laws”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including without limitation the common law), statute, ordinance, rule, regulation, restriction, standard, by-law (zoning or otherwise), judgment, order, direction or any consent, exemption, Governmental Authorizations, or any other legal requirements of, or

agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the Vendors, the Purchaser, the Business, or any of the Purchased Assets;

- (g) “**AR Initial Order**” means the amended and restated Initial Order (as amended, restated, supplemented and/or modified from time to time);
- (h) “**Assigned Contracts**” means the Real Property Leases and those additional Contracts of the Vendors, if any, set out in Schedule 1.1(h)
- (i) “**Assumed Liabilities**” means:
  - (i) any and all Liabilities arising from or related to the Purchased Assets from and after Closing;
  - (ii) any and all Liabilities arising from or related to the Assigned Contracts from and after Closing;
  - (iii) any and all Liabilities arising from or related to the Employees (other than the Excluded Employees) from and after Closing;
  - (iv) any and all Liabilities arising from or related to the Permits from and after Closing;
  - (v) the Liabilities and other obligations agreed to be assumed or performed by the Purchaser as provided in this Agreement;

For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

- (j) “**Back-up Bid**” has the meaning given to it in the SISP Procedure;
- (k) “**Back-up Bidder**” has the meaning given to it in the SISP Procedure;
- (l) “**Benefit Plan**” means any pension, retirement, deferred compensation, profit-sharing, RRSP, savings, disability, medical, dental, health, life, death benefit, stock option, stock purchase, bonus, incentive, vacation entitlement and pay, termination and severance pay, overtime averaging or other employee benefit plan, trust, arrangement, contract, agreement, policy or commitment, whether or not any of the foregoing is funded or insured, and whether written or oral, formal or informal, which is intended to provide or does in fact provide benefits to any or all employees or former employees of the Vendors, and to which the Vendors are a party or by which the Vendors are bound or with respect to which the Vendors have any liability or potential liability, and for greater certainty includes plans or programs in which the Vendors are obligated to participate by statute;
- (m) “**Books and Records**” means all files, ledgers and correspondence, all price and supplier lists, all manuals, reports, texts, notes, engineering, environmental and feasibility studies, data, specifications, memoranda, invoices, receipts, accounts, accounting records and books, financial statements and financial working papers and all other records and documents of any nature or kind whatsoever, including, without limitation, those recorded, stored, maintained, operated, held or otherwise wholly or partly dependent on discs, tapes and other means of storage, including, without limitation, any electronic, magnetic, mechanical, photographic or optical process, whether computerized or not, and all

software, passwords and other information and means of or for access thereto, belonging to the Vendors and relating to the Purchased Assets, but not including Customer Lists or any Books and Records relating to the Excluded Assets and Excluded Liabilities;

- (n) “**Break Fee**” has the meaning set out in Section 9.3;
- (o) “**Business**” means the collision and repair business currently carried on by the Vendors;
- (p) “**Business Day**” means any day other than a Saturday, Sunday or any statutory holiday in the Province of Alberta or Manitoba;
- (q) “**Calgary Downtown Location**” means the lands and premises located at 1407-9th Avenue S W, Calgary, Alberta;
- (r) “**Cash and Cash Equivalents**” means cash, bank balances, moneys in possession of banks and other depositories, term or time deposits, marketable securities, bankers’ acceptance, commercial paper, security entitlements, securities accounts, commodity contracts, commodity accounts, government securities and any other cash equivalents of, owned or held by or for the account of the Vendors;
- (s) “**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada), as amended;
- (t) “**CCAA Proceedings**” means the proceedings commenced under the CCAA by the Vendors pursuant to the Initial Order;
- (u) “**Closing**” means the completion of the sale and purchase of the Purchased Assets and assumption of the Assumed Liabilities in accordance with this Agreement;
- (v) “**Closing Date**” means five (5) Business Days after this Agreement is selected as a Successful Bid (as defined in the SISP Procedures) or such other date as may be agreed upon in writing by the Vendors and the Purchaser or by their respective solicitors or as otherwise ordered by the Court;
- (w) “**Closing Date Debt Amount**” means the total amount as of Closing owing by: (i) Bunzy under the loan agreement, as amended, with Access Credit Union (exclusive of line of credit and credit card debt), which as of the Execution Date is approximately \$465,358.80; (ii) 10026923 to the Royal Bank of Canada under a loan agreement, as amended (exclusive of line of credit and credit card debt), which as of the Execution Date is approximately \$128,516.29 and is guaranteed by Nick’s Repair; and (iii) 10026923 to Gail White and Gary White under a Vendor Take Back Promissory Note which as of the Execution Date is approximately \$100,000.
- (x) “**Closing Date Working Capital**” means the aggregate value of the Working Capital of the Vendors that is transferred to the Purchaser on the Closing Date in accordance with this Agreement;
- (y) “**Closing Documents**” means all contracts, agreements, instruments and other documents required by this Agreement to be delivered by or on behalf of a Party at or before the Closing;

- (z) “**Contracts**” means all pending and executory contracts, agreements, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures, understandings, arrangements and all other legally binding arrangements (whether oral or written) to which the Vendors are a party or by which any Vendor is bound or in which any Vendor has, or will at Closing have, any rights or by which any of its Property or Business are or may be affected;
- (aa) “**Consulting Agreements**” means the consulting agreements between the Purchaser and Shane Daerden and Mark Jones, which will include a minimum term of one (1) year commencing on the Closing Date.
- (bb) “**Court**” means the Court of King’s Bench of Alberta;
- (cc) “**Cure Costs**” means (i) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Vesting Order, the amounts, if any, required to be paid to remedy all of the Vendors’ monetary defaults existing as at Closing under the applicable Assigned Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Assigned Contract); and (ii) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by any Vendor to the Purchaser, which amount shall be: (A) no greater than the monetary default; and (B) be set out on the form of contractual consent agreed to by the applicable Vendor and the counterparty to such Assigned Contract; and (C) approved by the Monitor.
- (dd) “**Customer Lists**” means all lists of customers of the Vendors pertaining to the Business, including names, addresses, telephone and fax numbers, e-mail addresses, details of sales and other relevant information relating thereto;
- (ee) “**Deposit**” means the sum of eight hundred thousand dollars (\$800,000) payable by the Purchaser to the Monitor, in trust, upon the execution by all Parties of this Agreement;
- (ff) “**Employees**” means all employees of the Vendors;
- (gg) “**Encumbrance**” means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:
  - (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, execution, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire-purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
  - (ii) a claim, interest or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;
  - (iii) an option or other right to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);

- (iv) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible);
- (v) any agreement to create, or right capable of becoming, any of the foregoing; and;
- (vi) any and all court-ordered charges granted in the CCAA Proceedings;
- (hh) **“Equipment and Personal Property”** means all equipment, furniture, furnishings, accessories, motors, tools, utensils, stores, supplies and parts of every nature and kind and other tangible personal property owned by the Vendors and used in the Business, including, without limitation, the items of personal property described in Schedule 1.1(hh), but excluding any Excluded Assets;
- (ii) **“Excluded Assets”** means:
  - (i) all Cash and Cash Equivalents;
  - (ii) all Accounts Receivable, Work in Progress and Prepaid Expenses owned by Nick’s Repair, 10026923 and Bunzy;
  - (iii) all indebtedness of any of the Vendors’ Affiliates or any director or officer of the Vendors or any of the Vendors’ Affiliates, to the Vendors;
  - (iv) all property and assets of CMD Holdings other than the Real Property Leases;
  - (v) any deposit or investment accounts of the Vendors;
  - (vi) all those things specifically excluded from the definitions of those terms set out in the list of included items in the definition of Purchased Assets;
  - (vii) all income tax installments paid by the Vendors, and the right to receive a refund of any taxes paid by the Vendors and interest thereon;
  - (viii) the interest of the Vendors in any litigation and in the proceeds of any judgment or order thereunder;
  - (ix) the interest of the Vendors in any insurance policies, claims or proceeds, including any cash surrender value thereof (except solely in accordance with Section 6.4 where the Purchaser elects to take an assignment of insurance proceeds and still Closes); and
  - (x) all securities in the capital of the Vendors;
  - (xi) any existing or potential hazardous materials existing or discharged by the Vendors on or under the Lands, notwithstanding that they may be (or become) affixed to the Lands;
  - (xii) all further assets described in Schedule 1.1(ii), and the Purchaser may add additional items to such Schedule at any time prior to the Closing upon written notice to the Vendors;



- (jj) **“Excluded Employees”** means Shane Daerden, the employees of Nick’s Repair and Bunzy and any other Employees that are not active Employees on Closing, including those Employees that are on leave;
- (kk) **“Excluded Liabilities”** means all Liabilities other than the Assumed Liabilities, including, without limitation, all Liabilities related to the Contracts listed below:
  - (i) the Licence Agreements and all intellectual property belonging to CARSTAR Canada Partnership, LP, including all manuals, and related franchise-specific documentation, contracts including the franchise licence and entitlements and all right, title and interest in and to the name “CARSTAR” and variations thereof;
  - (ii) all agreements between the Vendors and Axalta Coating Systems, LLC and/or its Affiliates; and
  - (iii) the Benefit Plans.
- (ll) **“Filing Date”** means the date on which the Initial Order is granted by the Court;
- (mm) **“Goodwill”** means the goodwill attributable to the Business and the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and as successor to the Vendors and the right to use any words indicating that the Business is so carried on, including the right to use the name “Collision Kings” or any variation thereof as part of the name of, or in connection with, the Business to be carried on by the Purchaser; provided that the Vendors may continue using such name and Goodwill for the duration of the CCAA Proceedings;
- (nn) **“Governmental Authority”** means any applicable transnational, federal, provincial, municipal, state, local, national or other government, regulatory authority, governmental department, agency, commission, board, tribunal, bureau, ministry, court, system operator, judicial body, arbitral body or other law, rule or regulation-making entity, or any entity, officer, inspector, investigator or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case:
  - (i) having jurisdiction over a Vendor, the Purchaser, the Business, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality, or other geographical or political subdivision thereof; or
  - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;
- (oo) **“Governmental Authorizations”** means authorizations, approvals, plans, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or required by the Vendors relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (pp) **“GST”** means goods and services tax payable under the GST Legislation;
- (qq) **“GST Legislation”** means Part IX of the *Excise Tax Act* (Canada);

- (rr) “**Initial Order**” means the Initial Order to be granted by the Court pursuant to which:
- (i) the Vendors and certain of their Affiliates and subsidiaries will be granted protection from their creditors under the CCAA (as amended, restated, supplemented and/or modified from time to time);
  - (ii) the SISP Procedure will be approved; and
  - (iii) the transaction contemplated in this Agreement will be approved.
- (ss) “**Insolvency Proceedings**” means any action, application, petition, suit or other proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency, winding-up or similar law of any jurisdiction now or hereafter in effect, for the relief from or otherwise affecting creditors of any of the Vendors, including without limitation under the *Bankruptcy and Insolvency Act* (Canada) (including the filing of a notice of intention to make a proposal), CCAA (including the CCAA Proceedings), the *Winding-Up and Restructuring Act* (Canada), or the *Canada Business Corporations* by, against or in respect of any of the Vendors;
- (tt) “**Intellectual Property**” means all rights, title, interest and benefit of the Vendors in and to intellectual property of every nature, whether registered or unregistered, including, without limitation, all copyrights, patents, patent rights, trade-marks, certification marks and industrial designs, applications for any of the foregoing, domain names, IP addresses, websites, e-mail addresses, trade names, brand names, trade secrets, proprietary manufacturing information and know-how, instruction manuals, inventions, inventors’ notes, research data, unpatented blueprints, drawings and designs, formulae, calculations, processes, prototypes, technology and marketing rights, together with all rights under licence agreements, sublicense agreements, strategic alliances, development agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing, that are owned by the Vendors or used in connection with the Business or Purchased Assets, including, without limitation, the trade-marks, copyrights, patents, licences and agreements described in Schedule 1.1(tt);
- (uu) “**Inventory**” means all sundries, shop supplies and paint;
- (vv) “**Landlords**” means, collectively, the landlords of the Real Property Leases, and “**Landlord**” means any one of them;
- (ww) “**Lands**” means the lands and premises on which the operations of the Business is conducted and more particularly described in Schedule 1.1(ww);
- (xx) “**Lease Holdback**” has the meaning set forth in Subsection 3.3(a)(iii);
- (yy) “**Leased Premises**” means the premises at which the Business is conducted and which are leased to the Vendors pursuant to the Real Property Leases, more particularly set out in Schedule 1.1(ww);
- (zz) “**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, legal, beneficial or

equitable, present or future, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person, and includes, without limiting the generality of the foregoing, any debt, dues, guarantee, surety, indemnity obligation or other obligation.

- (aaa) **“Licence Agreements”** means the licence agreements between each of the Vendors and CARSTAR Canada Partnership, LP;
- (bbb) **“Lloydminster Locations”** means the lands and premises located at 9906 109 Ave, Lloydminster, Alberta, and 4407 52nd Street, Lloydminster, Saskatchewan;
- (ccc) **“Manitoba Real Property”** means the lands and premises located at:
  - (i) 52 Austin Street, Winnipeg, Manitoba; and
  - (ii) 149 MB-16 W, Neepawa, Manitoba;
- (ddd) **“Material Loss”** means any damage to or destruction, after the date of this Agreement, of any of the Purchased Assets (other than Work in Progress or Inventory), individually or in the aggregate by a casualty of any kind, in respect of which the lesser of:
  - (i) the fair appraised liquidation value, prior to damage or destruction, of the damaged or destroyed Purchased Asset(s); and
  - (ii) the cost of repair to bring the damages or destroyed Purchased Asset(s) to the condition in which it was prior to such damage or destruction, as evidenced by an estimate provided by a qualified independent third party in keeping with normal industry practice,would exceed 15% of the Purchase Price.
- (eee) **“Monitor”** means FTI Consulting Canada Inc., in its capacity as Court-appointed monitor of the Vendors pursuant to the Initial Order and not in its personal capacity;
- (fff) **“Monitor’s Certificate”** means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Vendors and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties;
- (ggg) **“Outside Date”** means March 29, 2024;
- (hhh) **“Parties”** means the Vendors and the Purchaser collectively, and **“Party”** means either the Vendors, any Vendor or the Purchaser, as the context requires;
- (iii) **“Permits”** means all certificates, approvals, consents, authorizations, privileges, waivers, exemptions, orders, rulings, registrations, permits and licences issued or entered into relating to the Business that are assignable to the Purchaser;
- (jjj) **“Permitted Encumbrances”** means those encumbrances described in Schedule 1.1(jjj);

- (kkk) **“Person”** means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;
- (lll) **“Prepaid Expenses”** means all prepaid expenses of the Vendors attributable to the Purchased Assets including, without limitation, amounts paid for insurance, utilities, leases and rentals which have a continuing benefit to the Purchaser after the Closing;
- (mmm) **“Purchase Price”** means the purchase price for the Purchased Assets, as set out in Article 3;
- (nnn) **“Purchased Assets”** means all properties and assets of the Vendors of every kind and description (whether real, personal, mixed, tangible or intangible) relating to the Business wherever located (but not including the Excluded Assets), including, without limitation:
- (i) the Vendors’ right, title and interest in the Assigned Contracts;
  - (ii) the Equipment and Personal Property;
  - (iii) the Manitoba Real Property;
  - (iv) the Inventory;
  - (v) the Prepaid Expenses;
  - (vi) the Intellectual Property;
  - (vii) telephone and facsimile numbers;
  - (viii) the Goodwill;
  - (ix) the Customer Lists;
  - (x) the Vendors’ interest in the Permits, if capable of being transferred or assigned;
  - (xi) the Accounts Receivable;
  - (xii) the Work in Progress; and
  - (xiii) the Books and Records;

For certainty, the Purchased Assets do not include the Excluded Assets.

- (ooo) **“Purchaser’s Solicitors”** means Lawson Lundell LLP;
- (ppp) **“Real Property Leases”** means the leases and other agreements to occupy the Premises entered into by, or assigned in favour of any of the Vendors and listed in Schedule 1.1(ww), including all purchase options, prepaid rents, security deposits, rights to appurtenances and improvements, licences and permits relating thereto and all leasehold improvements thereon;
- (qqq) **“SISP Deadline”** means March 8, 2024;

- (rrr) **“SISP Procedure”** means the sale and investment solicitation procedure, in substantially the form attached as Schedule 1.1(rrr) (as amended, restated, supplemented and/or modified from time to time);
- (sss) **“Successful Bid”** has the meaning given to it in the SISP Procedure;
- (ttt) **“Successful Bidder”** has the meaning given to it in the SISP Procedure;
- (uuu) **“Target Working Capital”** means \$0.00;
- (vvv) **“Tax”** and **“Taxes”** includes:
  - (i) taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Alberta, Manitoba, and Saskatchewan, and other government pension plan premiums or contributions; and
  - (ii) any liability in respect of any items described in clause (i) payable by reason of contract, assumption, transferee liability, operation of law or otherwise;
- (www) **“Vendors’ Solicitors”** means MLT Aikins LLP;
- (xxx) **“Vesting Order”** means an order granted by the Court, in substantially the form attached as Schedule 1.1(xxx) (with only such changes as the Purchaser and the Vendors approve in their reasonable discretion, but in all cases in form and substance acceptable to the Monitor), and served on those Persons identified by the Vendors and the Purchaser, which will, among other things:
  - (iii) authorize and approve this Agreement and the execution and delivery thereof by the Vendors;
  - (iv) authorize and direct the Vendors to complete the transactions contemplated by this Agreement if they determine it is a Successful Bid;
  - (v) authorizing and approving the assignment to the Purchaser of any Assigned Contract for which a required consent has not been obtained; and
  - (vi) provide for the vesting of title to the Purchased Assets in and to the Purchaser and the assumption of Assumed Liabilities by the Purchaser in accordance with the terms and conditions of this Agreement, free and clear of any and all claims against the Purchased Assets of every nature or kind whatsoever and howsoever arising,

including all Encumbrances, save for Permitted Encumbrances, upon the delivery of the Monitor's Certificate to the Purchaser indicating that the conditions precedent to the consummation of the transactions contemplated by this Agreement have been satisfied or waived (where permissible); and

- (yyy) **“Warranty Holdback”** has the meaning set forth in Subsection 3.3(a)(ii);
- (zzz) **“Work in Progress”** means all parts, materials and labour associated with the work in progress of the Vendors;
- (aaaa) **“Working Capital”** means the amount equal to the value as of the Closing Date of the following (but not including the value of any of the following that relate to Nick's Repair, 10026923, or Bunzy and are therefore Excluded Assets): (i) the Work in Progress at cost (net of any customer deposits);; (ii) the dollar value of the Prepaid Expenses; and (iii) book value of the Accounts Receivable (such value to be determined based on the principals set out in the Accounting Standards for Private Enterprises, consistently applied), provided that the value of such Accounts Receivable shall be:
  - (i) first, reduced by an amount equal to any rebates payable in connection with such Accounts Receivable (but only to the extent that such rebates have not already been factored into the calculation of such Accounts Receivable), on a dollar-for-dollar basis; and
  - (ii) second, subject to a 30% discount; and
- (bbbb) **“Working Capital Escrow Amount”** has the meaning set out in Subsection 3.3(a)(iv).

## 1.2 Schedules

The following are the Schedules which are attached to and form part of this Agreement:

Schedule 1.1(h)	— Assigned Contracts
Schedule 1.1(ii)	— Excluded Assets
Schedule 1.1(jjj)	— Permitted Encumbrances
Schedule 1.1(rrr)	— SISP Procedure
Schedule 1.1(xxx)	— Vesting Order
Schedule 1.1(ww)	— Lands and Real Property Leases
Schedule 1.1(hh)	— Equipment and Personal Property
Schedule 1.1(tt)	— Intellectual Property
Schedule 3.2	— Allocation Schedule
Schedule 7.2(d)	— Employees

## 1.3 Gender, Number and Other Terms

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive, and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference thereto.

#### **1.4 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.

#### **1.5 Statutes**

Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

#### **1.6 No Contra Preferentum**

The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.

#### **1.7 Currency**

Unless otherwise specifically noted, all references to money in this Agreement are or shall be to money in lawful money of Canada. If it is necessary to convert money from another currency to lawful money of Canada, such money shall be converted to lawful money of Canada using the exchange rates in effect at the Closing Date.

#### **1.8 Governing Law and Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the province of Alberta and the laws of Canada applicable therein and all disputes and claims, whether for damages, specific performance, injunction, declaration or otherwise, both at law and equity, arising out of, or in any way connected with, this Agreement shall be referred to the courts of the Province of Alberta in the CCAA Proceeding and each of the parties hereby attorns to the exclusive jurisdiction of the courts of the Province of Alberta in the CCAA Proceeding.

#### **1.9 Cross References**

Unless otherwise stated, a reference in this Agreement to a designated article, section, subsection, paragraph or other subdivision or to a schedule is to the designated article, section, subsection, paragraph or other subdivision of, or schedule to, this Agreement.

#### **1.10 References to Whole Agreement**

Unless otherwise stated, the words “herein”, “hereof”, “hereby” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subsection, paragraph or other subdivision or schedule.

#### **1.11 Interpretation**

The word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto).

### **1.12 Merger**

All representations, warranties and covenants of Vendor contained in this Agreement shall merge and terminate on Closing unless otherwise stated or necessary to give effect to the provisions hereof. Notwithstanding the foregoing, the representations, warranties and covenants of the Purchaser contained herein shall not merge on Closing and shall survive and remain in full force and effect.

### **1.13 Interpretation if Closing Does Not Occur**

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets and assumed the Assumed Liabilities shall be construed as having been contingent upon Closing having occurred.

## **2. PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES**

### **2.1 Purchase and Sale of the Purchased Assets**

On Closing, the Vendors agree to sell, assign and transfer, to the Purchaser, and the Purchaser agrees to purchase from the Vendors, the Purchased Assets, effective as of and from the Closing, free and clear of all Encumbrances, except for the Permitted Encumbrances, for the price and in accordance with and subject to the terms and conditions set forth in this Agreement.

### **2.2 Assumption of Assumed Liabilities**

On Closing, the Vendors agree to assign and transfer, to the Purchaser, and the Purchaser agrees to assume and accept from the Vendors, the Assumed Liabilities, effective as of and from the Closing. Notwithstanding any other provision of this Agreement, it is expressly understood and agreed that, other than the Assumed Liabilities, the Purchaser shall not assume and shall not be deemed to have assumed any other Liabilities of the Vendors at the Closing, including in particular, and without limiting the generality of the foregoing, any employee liabilities pursuant to Applicable Laws prior to Closing, all of which are specifically excluded from the transactions contemplated by this Agreement and shall remain the sole obligation of the Vendors.

### **2.3 Assignment of Contracts**

(a) Cure Costs.

- (i) To the extent that any Cure Costs are payable with respect to any Assigned Contract that is a Real Property Lease, the Vendors shall pay such amount to the applicable Landlord prior to Closing.
- (ii) To the extent that any Cure Costs are payable with respect to any Assigned Contract that is not a Real Property Lease, the Purchaser shall: (i) where such Assigned Contract is assigned pursuant to an Vesting Order, pay all such Cure Costs in accordance with the Vesting Order; and (ii) where such Assigned Contract is not assigned pursuant to an Vesting Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Purchase Price received by the Vendors for the Purchased Assets.



- (b) Assignment. At Closing, on and subject to the terms and conditions of this Agreement and the Vesting Order, all of the Vendors rights, benefits, interests and obligations in, to and under the Assigned Contracts shall be assigned to the Purchaser.
- (c) Where Consent Required. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to a Vesting Order.
- (d) No Adjustment. For greater certainty, if the consent of any Person is required to assign an Assigned Contract, but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Vesting Order, such Contract shall not form part of the Assigned Contracts and: (i) neither Party shall be considered to be in breach of this Agreement; (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (iii) the Purchase Price shall not be subject to any adjustment; (iv) Closing shall not be delayed.

### **3. PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES**

#### **3.1 Purchase Price**

The Purchase Price payable by the Purchaser for the Purchased Assets (the "**Purchase Price**") shall be the aggregate of the following:

- (a) Six Million Six Hundred Sixty Thousand Dollars (\$6,660,000.00), plus
- (b) the value of the Closing Date Working Capital, as calculated in accordance with Section 3.7; plus
- (c) the Closing Date Debt Amount.

For certainty, the Purchase Price shall be exclusive of all applicable Taxes which shall be the sole responsibility of the Purchaser. The Purchaser shall be responsible for and shall pay when due any Taxes, including sales taxes, excise taxes (goods and services taxes), transfer taxes and similar taxes (but not income taxes of the Vendors) and any registration fees payable in respect of the sale and transfer of the Purchased Assets to the Purchaser.

#### **3.2 Allocation of Purchase Price**

The Vendors and Purchaser agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including tax and financial accounting) as shown on the allocation schedule to be attached hereto as Schedule 3.2 (the "**Allocation Schedule**"), which shall be delivered on or before Closing. The Vendors and the Purchaser agree that the values so attributed to the Purchased Assets are the respective fair market values thereof, and the Vendors and the Purchaser shall file all tax returns (including amended returns and claims for refund) and elections required or desirable under the *Income Tax Act* (Canada) in a manner consistent with the Allocation Schedule. Any adjustments to the Purchase Price shall be allocated in a manner consistent with the Allocation Schedule.

### 3.3 Payment of Purchase Price

- (a) The Purchase Price for the Purchased Assets shall be paid and satisfied by the Purchaser as follows:
  - (i) The Deposit shall be released and applied against the Purchase Price;
  - (ii) Two Hundred Thousand Dollars (\$200,000) (the “**Warranty Holdback**”) shall be held back by the Purchaser’s Solicitors, in trust, on the Closing Date, to be dealt with in accordance with Section 3.5;
  - (iii) Eight Hundred Eighty Thousand (\$880,000) (the “**Lease Holdback**”) shall be paid to the Monitor, in trust, to be dealt with in accordance with Section 3.6;
  - (iv) The Closing Date Working Capital, which shall be paid as follows: (i) one Million Dollars (\$1,000,000) (the “**Working Capital Escrow Amount**”) shall be paid to the Purchaser’s Solicitors, in trust; and (ii) any reconciliation or adjustment to be made on the Adjustment Payment Date, in each case to be dealt with in accordance with Section 3.7;
  - (v) the balance of the Purchase Price shall be paid on the Closing Date to the Vendors’ Solicitor, “In Trust”, by way of bank draft, solicitor’s trust cheque or wire transfer of immediately available funds; and
  - (vi) an amount equal to the amount of the Assumed Liabilities which the Purchaser shall assume on Closing, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

### 3.4 Deposit

- (a) On the Execution Date, the Purchaser will pay the Deposit to the Monitor in trust, for the benefit of the Vendors, to be dealt with in accordance with Section 3.4.
- (b) If the transactions contemplated by this Agreement are not completed by the Outside Date by reason of the default of the Purchaser, in the performance or satisfaction of its obligations under this Agreement or any other Closing Document, or by reason of the Vendors not waiving their conditions set out in Article 7.3 by the Closing Date (or such conditions being met by the Purchaser), the Deposit shall be paid to or to the order of the Vendors as liquidated damages and not as a penalty, and upon payment of the Deposit, the Vendors will have no further claim against the Purchaser for any additional damages or loss whatsoever related to the termination of this Agreement.
- (c) If the transactions contemplated by this Agreement are not completed by the Outside Date by reason of the default of the Vendors, or any of them, in the performance or satisfaction of their obligations under this Agreement, or by reason of the Purchaser not waiving its conditions set out in Article 7.1 or 7.2 by the Closing Date (or such conditions being met), or as a result of the Purchaser not being selected as a Successful Bidder or Back-up Bidder, or for any other reason whatsoever (other than the reasons set out in Subsection (b)), the Deposit shall be forthwith returned to the Purchaser and the Purchaser shall have no claim against the Vendors or the Monitor for any additional damages or loss whatsoever related

to the termination of this Agreement other than payment of the Break Fee (if Purchaser is eligible for such Break Fee).

### 3.5 Warranty Holdback

- (a) On Closing, the Warranty Holdback shall be placed in trust with the Purchaser's Solicitors and held until the date that is twelve (12) months after the Closing Date (the "**Warranty Holdback Period**") to reimburse the Purchaser for any costs, it incurs related to warranty repairs for collision repair work that was carried out by the Vendors prior to the Closing Date (the "**Warranty Repairs**"). For certainty:
  - (i) only repairs conducted by one of the Vendors prior to the Closing shall be eligible for Warranty Repairs;
  - (ii) neither the Purchaser nor any of its Affiliates will advertise to previous customers of the Vendors or Business that there is a Warranty Holdback or that they are eligible for the Warranty Repairs, provided that this will not restrict the Purchaser from general advertising which may include references to the Purchaser's own warranty program;
  - (iii) "**costs**" means the actual costs of the Warranty Repairs incurred by the Purchaser on a non-profit basis, without markup or margin (including on the transfer of any supplies or other materials between Affiliated or related shops or entities); and
  - (iv) for the purposes of this section "**written notice**" shall include email communications, which shall be effective as of the time such emails are sent provided such emails are sent during business hours on a Business Day (and if not, on the next Business Day).
- (b) In each instance of a claim for Warranty Repairs, the Purchaser shall provide the Monitor with written notice (the "**Warranty Notice**") of: (i) the name of the customer; (ii) the date and details of previous service by a Vendor; (iii) the Warranty Repairs undertaken; and (iv) the amount of funds to be released from the Warranty Holdback in connection with such Warranty Repairs.
- (c) The Monitor will have fifteen (15) Business Days from receipt of the Warranty Notice to dispute the work or costs set out therein by providing written notice to the Purchaser and Purchaser's Solicitors. If the Monitor does not dispute a Warranty Notice as set out herein, or consents to such Warranty Notice, then the Purchaser's Solicitors may release and forward such amounts from the Warranty Holdback to the Purchaser and the Purchaser's Solicitors shall be entitled to rely on a statutory declaration executed by an appropriate officer of the Purchaser in that regard.
- (d) In the event the Monitor disputes the amount payable to the Purchaser within fifteen (15) Business Days from the date they receive the Warranty Notice and the parties are unable to resolve the disagreement within a further fifteen (15) Business Days, then the matter shall be referred to the Court in the CCAA Proceedings (or any subsequent proceedings) and no payment from the Warranty Holdback shall be made until such dispute is resolved.

- (e) At the end of the Warranty Holdback Period, the balance of the Warranty Holdback (not subject to dispute) shall be paid to the Monitor on behalf of the Vendors, within fifteen (15) Business Days.

### 3.6 Lease Holdback

On Closing, the Lease Holdback shall be placed in trust with the Monitor and released as follows:

- (a) \$612,000 of the Lease Holdback will be released to the Monitor, on behalf of the Vendors, on the date that is the earlier of:
  - (i) the date that the Purchaser, or an Affiliate, enters into a new lease (or an extension of the current lease held by Stathko Investments Ltd. to be assigned to the Purchaser) with the City of Calgary for the Calgary Downtown Location; and
  - (ii) October 1, 2025;

unless the Purchaser, acting reasonably and in good faith, has been unable to negotiate such new lease or extension, and is no longer leasing, licensing or otherwise occupying the Calgary Downtown Location as of October 1, 2025 (in which case such portion of the Lease Holdback will be returned to the Purchaser).

- (b) \$268,000 of the Lease Holdback will be released to the Monitor, on behalf of the Vendors, on the date that is the earlier of:
  - (i) The date the Purchaser, or an Affiliate, enters into new leases (or extensions of the current leases held by 2199931 Alberta Ltd. to be assigned to the Purchaser) with City Center Auto Body Ltd. for the Lloydminster Locations; and
  - (ii) May 25, 2024;

unless the Purchaser, acting reasonably and in good faith, has been unable to negotiate such new leases or extensions, as the case may be, on or before May 25, 2024, on terms satisfactory to the Purchaser, acting reasonably, such terms to include:

- (iii) Not less than an initial five (5) year term with at least one (1) option to extend for a further five (5) year period; and
- (iv) Base rent during the initial five (5) year term to continue at the current rate, with base rent during the extension term to be at fair market value;

in which case such portion of the Lease Holdback will then be released to the Purchaser, provided that:

- (v) if the Purchaser, or an Affiliate, was able to negotiate new leases (or extensions of the current leases) prior to May 25, 2024 but the base rents payable during the initial five (5) year term are higher than the current base rents, then the Purchaser will be paid from such portion of the Lease Holdback an amount equal to, for each location: the amount of such increase above the current base rent (to the nearest \$0.01), multiplied by the square footage of such location, multiplied by 3; and

- (vi) the balance of such portion of the Lease Holdback (if any) shall be paid to the Monitor on behalf of the Vendors.

### 3.7 Working Capital Calculation

- (a) Calculation of Closing Date Working Capital
  - (i) **Estimated Working Capital.** No later than two (2) Business Days before the Closing Date, the Vendors shall prepare and deliver to the Purchaser a statement setting forth their estimate of the Closing Date Working Capital (the "**Estimated Working Capital Statement**") with source documents as supporting schedules.
  - (ii) **Draft Calculation of Closing Date Working Capital.** Promptly after the Closing Date, the Purchaser shall prepare a draft calculation of the Closing Date Working Capital for the Vendors, which shall be delivered to the Vendors and Monitor no later than the 90<sup>th</sup> day following the Closing Date. Additionally, on the Closing Date the Vendors will provide to the Purchaser access to their estimating system and an Excel copy of Detailed Aged Accounts Receivable Listing (including claim numbers) dated as of the Closing Date.
  - (iii) **Access to Information.** The Vendors and Monitor and its representatives and accountants shall be entitled to review all procedures used in the preparation of draft calculation of the Closing Date Working Capital and shall be provided promptly with copies of all working papers created in connection with such preparation.
  - (iv) **Deemed Acceptance.** If the Vendors do not give a notice of objection in accordance with Subsection 3.7(b), the Vendors shall be deemed to have accepted the draft calculation of the Closing Date Working Capital, which shall be final and binding on the Parties for the purposes of the adjustments contemplated in this section, and the draft calculation of the Closing Date Working Capital shall constitute the Closing Date Working Capital for purposes of these adjustments immediately following the expiry date for the giving of such notice of objection.
- (b) **Dispute Settlement.** If the Vendors objects to any matter in the draft calculation of the Closing Date Working Capital prepared pursuant to Subsection 3.7(a) the Vendors shall give notice to the Purchaser and Monitor no later than sixty (60) days after delivery of the draft calculation of the Closing Date Working Capital. Any notice given by the Vendors shall set forth in detail the particulars of such objection. The Parties shall then use reasonable efforts to resolve such objection for a period of thirty (30) days following the giving of such notice. If the matter is not resolved by the end of such 30-day period, then the dispute with respect to such objection shall be submitted to the Monitor for determination.
- (c) **Working Capital Adjustment.**
  - (i) If the Closing Date Working Capital is determined to be less than the Working Capital Escrow Amount, the Purchaser shall instruct and require the Purchaser's Solicitors to promptly pay: (i) to the Monitor, on behalf of the Vendors, the Closing Date Working Capital from the Working Capital Escrow Amount; and (ii) to the

Purchaser, the balance of the Working Capital Escrow Amount after such payment in (i), in each case on or before the Adjustment Payment Date.

(ii) If the Closing Date Working Capital is determined to be greater than the Working Capital Escrow Amount, (i) the Purchaser shall instruct and require the Purchaser's Solicitors to promptly pay to the Monitor, on behalf of the Vendors, the full Working Capital Escrow Amount; and (ii) the Purchaser shall pay the balance of the Closing Date Working Capital Amount to the Monitor, on behalf of the Vendors, in each case on or before the Adjustment Payment Date.

(d) Any such adjustments shall constitute an adjustment to the Purchase Price. For certainty, no adjustment shall result in the Working Capital being a negative number.

#### **4. REPRESENTATIONS AND WARRANTIES OF THE VENDORS**

The Vendors represent and warrant to the Purchaser as follows and acknowledge that the Purchaser is relying on the following representations and warranties in connection with the purchase of the Purchased Assets:

##### **4.1 Authority**

Subject to the terms hereof and obtaining Court approval of this Agreement, and this transaction being determined a Successful Bid, each Vendor has the authority to sell the Purchased Assets and assign the Assumed Liabilities to the Purchaser on the terms and conditions of this Agreement.

##### **4.2 Residency**

None of the Vendors is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

##### **4.3 GST**

(a) The Vendors are a registrant for purposes of Part IX of the *Excise Tax Act* (Canada), and the Vendors' registration numbers are as follows:

2199931 Alberta Ltd.	785508474RT0001
Collision Kings 3 Ltd.	784748535RT0001
Arrow Auto Body Ltd.	100272335RT0001
Sunridge Collision Ltd.	852238583RT0001
East Lake Collision Ltd.	832032262RT0001
Stathko Investments Ltd.	855125647RT0001
Nick's Repairs Service Ltd.	103881603RT0001
10026923 Manitoba Ltd.	729778084RT0001
Bunzy's Auto Body Ltd	100691401RT0001

CMD Holdings Inc.

815524822RT0001

## 5. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

### 5.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendors as follows and acknowledges that the Vendors are relying upon the following representations and warranties in connection with the sale of the Business and the Purchased Assets:

- (a) Status: The Purchaser is a duly amalgamated and validly existing company under the laws of the Province of British Columbia, is in good standing under the *Business Corporations Act* (British Columbia) and has full power and capacity to enter into, carry out the transactions contemplated by, and duly observe and perform all its obligations contained in this Agreement.
- (b) Due Authorization: The execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement, and the completion and performance of the transactions and obligations contemplated by or contained in this Agreement, have been duly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court.
- (c) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Asset and assumption of the Assumed Liabilities on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement. For certainty, such funding shall not be conditional on either: (i) title to the Purchased Assets being transferred to the Purchaser or other third party prior to the Purchase Price being advanced to the Vendor and the Monitor's Certificate being issued; and (ii) security being registered against the Purchased Assets prior to Closing.
- (d) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (e) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the constating or organizational documents of the Purchaser.

- (f) Investment Canada: The Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act* (Canada).
- (g) Competition Act: The Purchased Assets and gross revenues of the Purchaser and its Affiliates (as that term is used in the *Competition Act*, RSC 1985 c. 34) are such that, after taking into account the Purchased Assets and gross revenues of the Vendors, the transactions contemplated by this Agreement are exempted from the provisions of Part VIII of the *Competition Act*, RSC 1985 c. 34 (Matter reviewable by tribunal).
- (h) GST Registration: The Purchaser is a registrant for purposes of Part IX of the *Excise Tax Act* (Canada), and the Purchaser's registration number is 745160929RT0001.
- (i) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a "**Sanctioned Person**") currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, "**Sanctions**"). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.

## 5.2 "As is, Where is"

- (a) Except as contemplated in Article 4, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an "as is, where is" basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed Liabilities and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.
- (b) Except as otherwise expressly provided in Article 4, no representation, warranty or condition, whether based in statute, common law or equity, which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendors or the Monitor including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.
- (c) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does



not confirm the existence of any such items or that any such item is owned by the Vendors. Except as otherwise explicitly set forth in Article 4, no representation, warranty or condition has been given by the Vendor or the Monitor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendors or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendors.

- (d) Any documents, materials and information provided by the Vendors or Monitor to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendors and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendors and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

## **6. PRE-CLOSING MATTERS**

### **6.1 Court Orders**

- (i) The Vendors and Purchaser acknowledge that (i) this Agreement is subject to, *inter alia*, Court approval, and (ii) Closing is subject to this Agreement being determined by the Monitor to be a Successful Bid, and to the issuance of the Vesting Order.
- (a) The Purchaser shall cooperate with the Vendors acting reasonably, as may be necessary, including by providing such information and taking such actions as may be reasonably requested, in obtaining the Initial Order, the AR Initial Order and the Vesting Order.
- (b) Notwithstanding any other provision herein, it is expressly acknowledged and agreed that in the event that the Initial Order has not been issued and entered by the Court by February 14, 2024 or such later date agreed to in writing by the Purchaser and the Vendors (with the consent of the Monitor), either Party may terminate this Agreement.

### **6.2 Employees**

- (a) Following selection as a Successful Bidder, the Vendors will provide formal notice to all Employees of the effectiveness of the transaction and such notice shall be at a time and in a form approved by the Parties, each acting reasonably.

- (b) Prior to Closing, the Purchaser shall (or shall cause one of its Affiliates to) offer employment in writing, conditional on Closing, and effective from the Closing Date, to all Employees other than the Excluded Employees on or before the Closing Date, such offers of employment to be on terms and conditions of employment which shall be on substantially the same or better terms as such Employees currently enjoy, including salary, vacation and benefits, and shall recognize all past service of such Employees.
- (c) The Parties will work together and coordinate any announcements to the employees of the Vendors advising them of the potential transaction with the Purchaser; provided that this shall not limit the Vendors from seeking the Vesting Order, approval or implementation of the SISP Procedure or complying with the requirements of the CCAA Proceeding or Applicable Law.

### **6.3 Operations until Closing**

Except as otherwise provided in this Agreement or unless otherwise agreed or consented to in writing by the Purchaser, the Vendors shall from the date of this Agreement up to the Closing or selection of another bid for the Purchased Assets as a Successful Bid:

- (a) Conduct of Business: Use commercially reasonable efforts to carry on and conduct the Business (other than in respect of Nick's Repair, Bunzy and 10026923 which may be wound down) and shall maintain the Books and Records in the ordinary course consistent with past practice, and in particular to:
  - (i) preserve the Purchased Assets intact and maintain the Purchased Assets in accordance with standard industry practice;
  - (ii) not sell, lease, licence, transfer, or otherwise dispose of, or agree to sell, lease, licence, transfer, or otherwise dispose of, any of the Purchased Assets except in the ordinary course of the Business, consistent with past practice;
  - (iii) keep available the services of the present Employees of the Vendors, other than the Excluded Employees, for the Purchaser;
  - (iv) not increase the remuneration payable to any Employees (other than Excluded Employees) without the prior written consent of the Purchaser, such consent not to be unreasonably withheld;
  - (v) maintain the Purchased Assets and do all necessary repairs and maintenance to such of the Purchased Assets as are used by the Vendors in the ordinary course of the Business, and take reasonable care to protect and safeguard the Purchased Assets;
  - (vi) make all necessary tax, governmental, and other filings following the Filing Date in a timely fashion;
  - (vii) maintain and continue in force all existing policies of insurance presently maintained by the Vendors in respect of the Purchased Assets;

- (viii) not enter into any Contract, other than the key employee retention and/or incentive plan(s), with any non-arm's length Person of the Vendors without the prior written consent of the Purchaser, in its sole discretion;
  - (ix) not amend, vary, cancel, or terminate any of the Assigned Contracts or Permits;
  - (x) not, unless required by law or required to repair or replace any loss or damage to the Purchased Assets arising subsequent to the execution of this Agreement, commence any new capital projects in respect of the Purchased Assets where the cost of which would be in excess of \$10,000.00 in the aggregate: and
  - (xi) not take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of or render untrue and representation, warranty, covenant or other obligation of the Vendors contained herein.
- (b) Access: If selected as a Successful Bid, provide to the Purchaser, its employees, representatives, and agents, full access during normal business hours to the Vendors' personnel and its facilities and properties and to the Books and Records and to all, or true copies of all, title documents, indentures, contracts, agreements, Encumbrances, instruments, leases, and other documents relating to the Purchased Assets or the Business, and furnish them with all such information relating to the Business and the Purchased Assets in the possession of the Vendors as the Purchaser from time to time reasonably requests;
- (c) Obtain Consents: The Parties will use commercially reasonable efforts to obtain all necessary releases, waivers, consents, and approvals, including, without limitation, all necessary consents and approvals from the lessors of each of the Leased Premises, issuance of the Initial Order, AR Initial Order, issuance of the Vesting Order, and all relevant Governmental Authorities, as may be required to validly and effectively transfer the Purchased Assets and Assumed Liabilities to the Purchaser as contemplated by this Agreement,.

#### **6.4 Risk of Loss and Damage Prior to Closing**

- (a) In accordance with this Section 6.4, the Vendors shall bear all risk of loss or damage to, or destruction of, the Purchased Assets until the Closing and the Purchaser shall bear all such risk of loss, damage and destruction from and after the Closing.
- (b) If, between the date hereof and Closing, any of the Purchased Assets with an aggregate value of over \$50,000 (other than Work in Progress or Inventory) are destroyed, lost or materially damaged:
  - (i) the Vendors shall notify the Purchaser promptly in writing of such fact, and if such acts or events constitute a Material Loss, then the Purchaser may, at its option terminate this Agreement and the Deposit will be released to the Purchaser;
  - (ii) if such loss, damage or destruction have not been completely replaced, repaired or otherwise rectified by the Closing, and if the Closing takes place, the Purchase Price will be reduced by an amount equal to the aggregate of:

- (A) the insurance proceeds paid on or before the Closing to the Vendors in respect of such loss, damage or destruction; and
  - (B) the aggregate of all deductible amounts under the insurance policies against which a payment has been made under subsection (a) above in respect of such loss, damage or destruction;
- less
- (C) the amount actually expended by or on behalf of the Vendors in the repair, replacement or other rectification thereof

provided that the value of those Purchased Assets that are damaged or destroyed will be determined by an adjuster appointed by the Monitor for that purpose. For certainty, such amounts will be calculated without duplication or double credit or loss.

- (iii) The Vendors shall consult with the Purchaser prior to making a claim against any applicable insurance policy and shall act reasonably and bona fide in respect thereof and in a manner consistent with the Purchaser's interest in the Business and the Assets. If applicable, the Vendors shall at Closing make, or cause to be made, the necessary claims under all applicable insurance policies and shall assign to the Purchaser all remaining insurance proceeds, including business interruption insurance proceeds, which are or may become receivable by the Vendors in respect of any such loss, damage or destruction.

## 7. CONDITIONS OF CLOSING

### 7.1 Mutual Conditions

The obligation of the Vendors to complete the transaction contemplated by this Agreement is subject to the fulfilment of each of the following conditions:

- (a) Initial Order. The Court shall have pronounced the Initial Order, which Initial Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Vesting Order. The Court shall have pronounced the Vesting Order, which Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the transaction.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, either Party may terminate this Agreement, in which event, subject to Section 9.2, the Parties will be

released from all obligations under this Agreement unless otherwise stated. The foregoing conditions are for the benefit of each Party and either Party will be entitled to waive compliance with any such conditions if it sees fit to do so.

## 7.2 Conditions of the Purchaser

The obligation of the Purchaser to complete the purchase of the transaction contemplated by this Agreement is subject to the fulfilment of the following conditions:

- (a) Representations and Warranties: The representations and warranties of the Vendors contained in this Agreement being true and correct in all material respects on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing (unless otherwise agreed or consented to in writing by the Purchaser);
- (b) Covenants: All of the covenants and obligations of the Vendors to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed in all material respects (unless otherwise agreed or consented to in writing by the Purchaser);
- (c) Deliverables: The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.2.
- (d) Employees: Not more than the greater of: (i) ten percent (10%) or (ii) twelve (12), full time Employees (not including any detailers employed by any of the Vendors or Excluded Employees) of those employees listed in Schedule 7.2(d) (to be calculated net of any replacements that have substantially the same skill set as the Employee they are replacing, as determined by the Purchaser, acting reasonably) being unable or unwilling to accept employment with the Purchaser or any Affiliate as set out in Subsection 6.2(b); and
- (e) Going Concern. The actual cumulative revenue of the Vendors as it relates to the Purchased Assets being at least \$1,500,000 for the four (4) week period ending on March 8, 2024, or such other date as determined by the Monitor and the Purchaser, both acting reasonably. For the purposes of this Agreement, “revenue” shall mean the revenue generated by files ‘completed and closed’ during such (4) week period and files ‘completed but not closed’ during such (4) week period. For greater clarity “completed but not closed files” requires that a customer’s vehicle has been returned to them upon completion of repairs.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, the Purchaser may terminate this Agreement, in which event, subject to Section 9.2, the Purchaser will be released from all obligations under this Agreement, and the Vendors will also be so released in each case unless otherwise stated. The foregoing conditions are for the benefit of the Purchaser only and accordingly the Purchaser will be entitled to waive compliance with any such conditions if it sees fit to do so.

## 7.3 Conditions of the Vendors

The obligation of the Vendors to complete the transaction contemplated by this Agreement is subject to the fulfilment of each of the following conditions:

- (a) Representations and Warranties: The representations and warranties of the Purchaser contained in this Agreement being true and correct in all material respects on and as of the

Closing with the same effect as though such representations and warranties had been made as of the Closing;

- (b) Covenants: All of the covenants and obligations of the Purchaser to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed in all material respects;
- (c) Deliverables: The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors and Monitor at the Closing all the documents contemplated in Section 8.3;
- (d) Purchase Price: The portion of the Purchase Price to be paid at Closing shall have been delivered in accordance with Subsection 3.3.

In the event that any of the foregoing conditions are not performed or fulfilled at or before the Outside Date, the Vendors may terminate this Agreement, in which event, subject to Section 9.2, the Vendors will be released from all obligations under this Agreement unless otherwise stated, and the Purchaser will forfeit its Deposit. The foregoing conditions are for the benefit of the Vendors only and accordingly the Vendors will be entitled to waive compliance with any such conditions if they see fit to do so.

## **8. CLOSING TRANSACTIONS**

### **8.1 Time and Place**

The Closing shall take place electronically at 12:00 p.m. Calgary time on the Closing Date or at such other time and date, or both, as the Vendors and the Purchaser or their respective solicitors may agree upon.

### **8.2 Vendors' Closing Documents**

At the Closing, the Vendors shall deliver or cause to be delivered, the following to the Purchaser:

- (a) a certified copy of the Initial Order;
- (b) a certified copy of the AR Initial Order;
- (c) a certified copy of the Vesting Order;
- (d) the Estimated Working Capital Statement;
- (e) the Allocation Schedule;
- (f) a general conveyance, duly executed by the Vendors;
- (g) an assignment and assumption agreement, duly executed by the Vendors;
- (h) a bring-down certificate of the Vendors, executed by a director or officer of the Vendors;
- (i) the elections under section 167 of the *Excise Tax Act*;
- (j) the elections under section 22 of the *Income Tax Act*, as applicable;
- (k) all keys and access codes to the Premises in the possession of the Vendors;

- (l) the Books and Records, to the extent in the possession of the Vendors;
- (m) such other consents, waivers, documents or instruments as may be specifically required under this Agreement or that the Purchaser may reasonably request.

### **8.3 Purchaser's Closing Documents**

At the Closing the Purchaser shall deliver the following to the Vendors:

- (a) the portion of the Purchase Price payable at Closing, as set forth in Section 3.3;
- (b) a bring-down certificate of the Purchaser, executed by a director or officer of the Purchaser;
- (c) the Allocation Schedule;
- (d) a general conveyance, duly executed by the Purchaser;
- (e) an assignment and assumption agreement, duly executed by the Purchaser;
- (f) the Consulting Agreements, duly executed by the Purchaser;
- (g) the elections under section 167 of the *Excise Tax Act*;
- (h) the elections under section 22 of the *Income Tax Act*, as applicable;
- (i) confirmation that compliant offers have been extended to the Employees other than the Excluded Employees;
- (j) certified copies of resolutions of the Purchaser approving the transactions contemplated by this Agreement, including, without limitation, the purchase of the Purchased Assets and assumption of Assumed Liabilities, and the execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement in such form and content as the Vendors may require, acting reasonably; and
- (k) such other consents, waivers, documents or instruments as may be specifically required under this Agreement or that the Vendors may reasonably request.

### **8.4 Concurrent Delivery**

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any party to the others pursuant to the terms of this Agreement shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

### **8.5 Monitor**

The Parties hereby acknowledge and agree that the Monitor will be entitled to issue the executed certificate of the Monitor, substantially in the form attached to the Vesting Order (the "**Monitor's Certificate**"), and file with the Court without independent investigation upon receiving written confirmation from the Vendors and the Purchaser that all conditions to Closing have been satisfied or waived and the Monitor will have no liability to the Vendors or the Purchaser or any other Person as a result of filing the Monitor's Certificate

or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory). For certainty, Closing will be deemed to occur on the issuance of the Monitor's Certificate and not the filing of same.

## **9. TERMINATION**

### **9.1 Grounds for Termination**

This Agreement may be terminated prior to Closing:

- (a) by the Vendors upon written notice to the Purchaser if:
  - (i) the Initial Order has not been obtained by February 14, 2024;
  - (ii) the Purchaser is not selected as a Successful Bidder or Back-up Bidder;
  - (iii) the Closing has not occurred by the Outside Date; or
  - (iv) the Purchaser has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from the Vendors;

provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendors; or

- (b) by the Purchaser upon written notice to the Vendors if:
  - (i) the Initial Order has not been obtained by February 14, 2024;
  - (ii) the Closing has not occurred by the Outside Date; or
  - (iii) the Vendor has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser;

provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser.

### **9.2 Effect of Termination**

Notwithstanding any other provisions of this Agreement and in addition to those provisions that are otherwise specifically stated to survive the termination of this Agreement, if this Agreement is terminated, the provisions of Sections 1.8 (Governing Law), 1.11 (Interpretation) 5.2 (As Is Where Is), 9.2 (Effect of Termination) 9.3 (Break Fee), 9.4 (Return of Information), 10.2 (Wrong Pocket, Reconciliations) 11.2 (Purchaser's Indemnity), 12.1 (Legal Fees and Other Expenses) 12.2 (Notices), 12.6 (Entire Agreement), 12.8 (Invalidity), 12.10 (Paramourty), 12.11 (Monitor's Capacity) and 12.13 (Enurement) and any other section which by their nature contains obligations that continue after closing shall survive such termination and remain in full force and effect.



### **9.3 Break Fee**

If this transaction is not selected as a Successful Bid for all or substantially all of the Purchased Assets, and such Successful Bid closes, the Purchaser shall be entitled to a break-fee of \$150,000 (the “**Break Fee**”) which shall become payable by the Vendors immediately upon the closing of the transaction by the other Successful Bidder. The Vendors agree to seek from the Court, as part of the order approving the bid of a Successful Bidder for the Purchased Assets, a provision providing for the distribution of the Break Fee to the Purchaser from the purchase price paid by such Successful Bidder. The Vendors agree that upon such completion, the Deposit shall also be refunded to the Purchaser.

### **9.4 Return of Information**

If the transaction contemplated pursuant to this Agreement is not completed, the Purchaser shall return to the Vendors all materials, documentation, data, records, drawings, and other papers and copies thereof (whether on paper or in electronic, magnetic, photographic, mechanical, or optical storage) relating to the Purchased Assets or the Business which is in the possession of the Purchaser and maintain the confidentiality of all information or knowledge obtained from the Vendors, and not use any such information or knowledge for any purpose whatsoever.

## **10. POST-CLOSING MATTERS**

### **10.1 Elections**

- (a) The Purchaser and the Vendors shall elect jointly under s. 167(1) of the *Excise Tax Act* (Canada), in the form prescribed for the purpose of that subsection, in respect of the sale and transfer of the Purchased Assets hereunder, and the Purchaser shall file such election no later than the deadline for filing its GST return for its reporting period that includes the Closing Date.
- (b) The Purchaser and the Vendors shall elect jointly under Section 22 of the *Income Tax Act* in respect to any accounts receivable forming part of the Purchased Assets. The Parties agree to file such election in a manner consistent with the allocation contemplated in Section 3.2.

### **10.2 Wrong Pocket, Reconciliations**

If any of the Vendors receive any amount in respect of either: (a) Accounts Receivable forming part of the Purchased Assets; or (b) related to the performance of an Assigned Contract during the period following Closing, the Vendors shall pay over to the Purchaser all monies collected by or paid to the Vendors properly on account of the Purchaser within 30 days of the Vendors receipt thereof. After Closing and for the pendency of the CCAA Proceeding, the Vendors will provide the Purchaser with weekly bank reports and copies of all bank deposit slips, cheque remittances and EFT remittances upon request.

### **10.3 Change and Use of Name**

Following Closing, the Vendors agree that they will use commercially reasonable efforts to promptly change each name of the Vendors so that they do not include any or all of the words “Collision Kings”, “Arrow Auto Body”, “Sunridge Collision”, “East Lake Collision”, “Stathko Investments”, “Nick’s Repair Service”, or “Bunzy’s Auto Body” or any part thereof or any similar words; provided that nothing herein will restrict the Vendors ability to use such names in and for the purpose of the CCAA Proceeding.

#### **10.4 Access to Books and Records**

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendors, the Monitor (or any trustee in bankruptcy of the estate of the Vendors) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendors (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendors, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

### **11. INDEMNITIES**

#### **11.1 Purchaser's Limitation**

The Vendors will be entitled to make a claim against the Purchaser in respect of the breach of any warranty, representation, covenant or obligation of the Purchaser in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement only if written notice of any such claim is given by or on behalf of the Vendors to the Purchaser within two (2) years from the Closing Date. Notwithstanding the foregoing, there shall be no obligation on the part of the Purchaser to indemnify the Vendors until the aggregate amount of the loss in respect of which a claim for indemnity has been made by the Purchaser exceeds \$5,000.00, whereupon, the full amount of the loss shall become due and payable, provided that and in any event the maximum amount in respect of which the Purchaser shall be liable shall not exceed the amount of the Purchase Price.

#### **11.2 Purchaser's Indemnity**

Subject to 11.1, the Purchaser shall indemnify and save harmless the Vendors and Monitor from and against all losses, costs, damages, expenses and liabilities, including without limitation legal fees, suffered or incurred by the Vendors in connection with, or arising out of:

- (a) a representation or warranty on the part of the Purchaser being untrue;
- (b) a breach of any agreement, covenant or obligation of the Purchaser in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement;
- (c) any Assumed Liabilities;
- (d) any liabilities or obligations of the Vendors relating to the Business or any of the Purchased Assets assumed by the Purchaser pursuant to this Agreement or pursuant to any document, instrument or agreement delivered pursuant to this Agreement, except to the extent that same arises as a result of a representation or warranty on the part of the Vendors being untrue or a breach of any agreement, covenant or obligation of the Vendors in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement; and
- (e) any claim, suit, demand, action, or proceeding made or brought against the Purchaser at any time by any person or Governmental Authority which in any way relates to any act,

omission, matter or thing occurring in connection with the Business on or after the Closing, except to the extent that same arises as a result of a representation or warranty on the part of the Vendors being untrue or a breach of any agreement, covenant or obligation of the Vendors in or under this Agreement or in or under any document, instrument or agreement delivered pursuant to this Agreement.

## **12. MISCELLANEOUS**

### **12.1 Legal and Other Fees and Expenses**

Unless otherwise specifically provided herein, the parties will pay their respective legal, accounting and other professional fees and expenses incurred by each of them in connection with the negotiation and settlement of this Agreement, the completion of the transactions contemplated by this Agreement and other matters pertaining hereto.

### **12.2 Notices**

Unless otherwise stated herein, any notice, request, demand or other communication required or permitted to be given under this Agreement shall be in writing and delivered by hand, facsimile transmission, e-mail or prepaid registered mail (return receipt requested) to the party to which it is to be given as follows:

To the Vendors:

371 Niagara Street  
Winnipeg, Manitoba R3C 0V3

With a copy to, which shall not constitute legal notice thereof:

MLT Aikins LLP  
30<sup>th</sup> Floor – 360 Main Street  
Winnipeg, Manitoba R3C 4G1  
Attention: JJ Burnell  
Email: [jburnell@mltaikins.com](mailto:jburnell@mltaikins.com)

To the Purchaser:

3935 Lakeshore Road  
Kelowna, British Columbia V1W 1V3

With a copy to, which shall not constitute legal notice thereof:

Lawson Lundell LLP  
1800-1631 Dickson Avenue  
Kelowna, British Columbia V1Y 0B5  
Attention: Aaron Dow  
Email: [adow@lawsonlundell.com](mailto:adow@lawsonlundell.com)

or to such other address, fax number or e-mail address as a party may specify by notice given in accordance with this section. Any such notice, request, demand or other communication given as aforesaid will be deemed to have been given, in the case of delivery by hand, when delivered, in the case of delivery by facsimile transmission or e-mail, when a legible facsimile or e-mail is received by the recipient if received

before 5:00 p.m. on a Business Day, or on the next Business Day if such facsimile is received on a day which is not a Business Day or after 5:00 p.m. on a Business Day, and in the case of delivery by prepaid registered mail, as aforesaid, on the date received. In the event of discontinuance of postal service due to strike, lockout, labour disturbance or otherwise, notices, demands, requests and other communications shall be delivered by hand or by facsimile transmission.

### **12.3 Disclosure**

The Vendors and Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings.

### **12.4 Further Assurances**

Each of the Parties shall execute and deliver such further documents, instruments and agreements and do such further acts and things as may be reasonably required from time to time, either before, on or after the Closing Date, to carry out the full intent and meaning of this Agreement, give effect to the transactions contemplated by this Agreement.

### **12.5 Time of the Essence**

Time shall be of the essence of this Agreement.

### **12.6 Entire Agreement**

This Agreement and the documents and orders referenced herein constitute the entire agreement between the Vendors and the Purchaser pertaining to the transactions contemplated by this Agreement and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, of the Vendors and the Purchaser, and there are no warranties, representations, covenants, obligations or agreements between the Vendors (or any Affiliate thereof) and the Purchaser except as set forth in this Agreement.

### **12.7 Assignment**

Except with the written consent of the other parties, none of the Parties may assign any of their respective benefits, obligations or liabilities under or in respect of this Agreement; provided however that: (a) the Vendors may assign their rights to receive any funds hereunder to any Person with the approval of the Monitor and upon notice to the Purchaser; and (b) at any time prior to the Closing, the Purchaser may, upon notice to the Vendors and Monitor, assign all of its rights and benefits under this Agreement to any Affiliate of the Purchaser which delivers to the Vendors an instrument in writing executed by the Affiliate confirming that it is bound by and shall perform all of the covenants and obligations of the Purchaser under this Agreement as if it were an original signatory thereto, jointly and severally bound thereby with the Purchaser, and such instrument in writing shall contain an acknowledgement of the Purchaser that it continues to be bound by this Agreement. Unless otherwise agreed in writing by the Vendors, no such assignment will relieve the Purchaser of its obligations and liabilities under this Agreement. In the event of an assignment contemplated above, any reference in this Agreement to "**Purchaser**" will be deemed to include the aforesaid assignee.

## **12.8 Invalidity**

Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.

## **12.9 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of it will be binding unless made in writing by the party to be bound by such amendment or waiver and approved by the Monitor. No waiver of any provision, or any portion of any provision, of this Agreement will constitute a waiver of any other part of the provision or any other provision of this Agreement nor a continuing waiver unless otherwise expressly provided.

## **12.10 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other Closing Document executed or delivered in connection with this transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency unless otherwise stated.

## **12.11 Monitor's Capacity**

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceedings, the Purchaser acknowledges and agrees that the Monitor, acting in its capacity as Monitor and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the transaction contemplated herein.

## **12.12 Counterparts**

This Agreement may be signed in counterparts and by facsimile, PDF, or other electronic format and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

## **12.13 Enurement**

This Agreement will enure to the benefit of and will be binding upon the Parties and their respective successors and any Affiliate of the Purchaser which is an assignee of the Purchaser, and any other assignee consented to, as contemplated in Section 12.7. Notwithstanding that the Monitor is not a Party to this Agreement, it shall be permitted and authorized to rely on and enforce the provisions of this Agreement.


*[signature pages follows]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**2199931 ALBERTA LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director


**ARROW AUTO BODY LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director


**SUNRIDGE COLLISION LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director


**EAST LAKE COLLISION LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director

**STATHKO INVESTMENTS LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director


**NICK'S REPAIRS SERVICE LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director

**10026923 MANITOBA LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director

**BUNZY'S AUTO BODY LTD.**  
(by its authorized signatory)

Per:   
Name: Shane Daerden  
Title: Director

**LIFT AUTO GROUP OPERATING CMD HOLDINGS INC.**  
**CORPORATION** (by its authorized signatory)

Per: \_\_\_\_\_  
Name: Brad Kopp  
Title: Corporate Secretary

Per:   
Name: Shane Daerden  
Title: Director

**LIFT AUTO GROUP OPERATING CMD HOLDINGS INC.**  
**CORPORATION** (by its authorized signatory)

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Brad Kopp  
Title: Corporate Secretary

Per: \_\_\_\_\_  
Name: Shane Daerden  
Title: Director



## **Schedule 1.1(h)**

### **Assigned Contracts**

#### **Alberta**

- a) Lease agreement dated September 25, 2020, between 1318920 Alberta Ltd., as landlord, and CMD Holdings Inc., as tenant;
- b) Lease agreement dated March 1, 2021, between Hansfeld Properties Ltd., as landlord, and Arrow Autobody Ltd.;
- c) Lease agreement dated May 14, 2007, between Autobahn Auto Works Ltd., as landlord, and Sunridge Collision Ltd., as tenant;
- d) Lease agreement dated effective May 4, 2011, between City of Calgary, as landlord, and Stathko Investments Ltd., as tenant;
- e) Lease agreement dated effective August 1, 2019, between DDG Holdings Ltd., as landlord, and Collision Kings 3 Ltd., as tenant; and
- f) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant.

#### **Saskatchewan**

- a) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant.

**Schedule 1.1(ii)**

**Excluded Assets**

Nil.

## Schedule 1.1(jjj)

### Permitted Encumbrances

- (a) The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (a) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (b) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (c) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (d) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements; and
- (e) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);

The following Alberta registrations:

- Nil.

The following Manitoba registrations:

- Caveat 1094591/5 registered in favour of the Manitoba Hydro-Electric Board on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM.
- Caveat 1028093/5 registered in favour of MTS Communications Inc. on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

The following Saskatchewan registration:

- Nil.

**Schedule 1.1(rrr)**

**SISP**

See attached.

## SALE AND INVESTMENT SOLICITATION PROCESS

### COLLISION KINGS GROUP INC. ET AL

#### INTRODUCTION

1. On February 7, 2024, the Honourable Justice Neilson in Alberta Court of King's Bench (the "**Court**") Action No. \_\_\_\_\_ (the "**CCAA Proceedings**") granted an order (the "**Initial Order**"), among other things:
  - (a) appointing FTI Consulting Canada Inc. ("**FTI**") as monitor (the "**Monitor**") of Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**CKG Group**" or the "**Debtors**");
  - (b) approving an interim financing agreement with the Toronto-Dominion Bank (the "**Interim Lender**") providing for financing to the Debtors up to a maximum principal amount of \$1,1,25,000, as well as granting a charge over all of the Debtors' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof;
  - (c) approving the transaction contemplated in the stalking horse asset purchase agreement (the "**Stalking Horse Bid**") between certain of the Debtors and the Lift Auto Group Operating Corporation (the "**Stalking Horse Bidder**"); and
  - (d) authorizing the Monitor, with the assistance of the Debtors, to conduct a sale and investment solicitation process (the "**SISP**") as further described herein to allow the Debtors to pursue all avenues of sale of their assets or investment in their business, in whole or in part, subject to prior approval of the Court before any material sale or investment.
2. The Debtors intend to provide all qualified interested parties with an opportunity to participate in the SISP.
3. This document (the "**SISP Procedure**") outlines the SISP, which is comprised of one phase and, if required, an auction.
4. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a business day in the Province of Alberta (each, a "**Business Day**") shall be deemed to occur on the next Business Day. All references to time shall be to the current time in Calgary, Alberta. Capitalized terms not otherwise defined in this SISP Procedure shall have the meanings set forth in the materials filed by the Debtors in support of the SISP Procedure or the reports of the Monitor.

#### OPPORTUNITY

5. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Debtors' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Debtors as a going concern, or a sale of all, substantially all, or one or

more components of the Debtors' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

6. Any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Debtors, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Debtors in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in the definitive agreement and such Court orders.

## TIMELINE

7. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Debtors to create list of Known Potential Bidders	February 7, 2024
Monitor to prepare and have available for Potential Bidders the Data Room	February 7, 2024
Monitor to distribute Teaser Letters and NDAs to Known Potential Bidders	February 10, 2024
Bid Deadline	March 8, 2024
Auction (if required)	March 13, 2024
Transaction Approval Application Hearing (if required)	March 18-22, 2024
Closing Date Deadline (other than the Stalking Horse Bid)	March 29, 2024

The dates set out in the SISP may be extended by the Monitor with the consent and approval of the Debtors.

## SOLICITATION OF INTEREST: NOTICE OF THE SISP

8. As soon as reasonably practicable, but in any event by no later than February 7, 2024:
- (a) the Debtors, in consultation with the Monitor, will prepare a list of Potential Bidders (as defined herein), including:
    - (i) parties that have approached the Debtors or the Monitor indicating an interest in the Opportunity; and
    - (ii) local and international strategic and financial parties who the Debtors, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Debtors pursuant to the SISP,
 (collectively, "**Known Potential Bidders**");
  - (b) the Monitor will arrange for a notice of the SISP (and such other relevant information

which the Monitor, in consultation with the Debtors, considers appropriate) (the "**Notice**") to be published in the National Post, Insolvency Insider and any other industry publication, website, newspaper or journal as the Debtors, in consultation with the Monitor, consider appropriate, if any;

- (c) the Debtors will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Debtors, in consultation with the Monitor, consider appropriate designating dissemination in Canada; and
  - (d) the Debtors, in consultation with the Monitor, will prepare:
    - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and
    - (ii) a non-disclosure agreement in form and substance satisfactory to the Debtors and the Monitor, and their respective counsel (an "**NDA**").
9. The Monitor shall send the Teaser Letter and NDA to each Known Potential Bidder by no later than February 10, 2024 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Debtors or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

#### *Qualified Bidders*

10. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") other than the Stalking Horse Bidder, must deliver to the Monitor:
- (a) an executed NDA which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof;
  - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
  - (c) a form of financial disclosure and credit quality support or enhancement that allows the Debtors and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate: (i) the acquisition of all, substantially all or a portion of the Property (each, a "**Sale Proposal**") or (ii) an investment in, restructuring, reorganization or refinancing of the Business or the Debtors (each, an "**Investment Proposal**"), as applicable.
11. If the Debtors and the Monitor, determine that a Potential Bidder has:
- (a) delivered the documents contemplated in paragraph 10 above; and
  - (b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP,

then such Potential Bidder will be deemed to be a "**Qualified Bidder**". For greater certainty, (i) provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bidder shall be

deemed to be a Qualified Bidder; and (ii) no Potential Bidder (other than the Stalking Horse Bidder) shall be deemed to be a Qualified Bidder without the approval of the Monitor.

12. At any time during the SISP, the Monitor may, in its reasonable business judgment and after consultation with the Debtors, eliminate a Qualified Bidder (other than the Stalking Horse Bidder) from the SISP, in which case such bidder will be eliminated from the SISP, will no longer be a Qualified Bidder for the purposes of this SISP, and shall have no further recourse as against the Debtors or the Monitor.

### *Due Diligence*

13. The Monitor, with the assistance of the Debtors, shall prepare a data room with additional information considered relevant to the Opportunity, including (a) a form of purchase agreement; and (b) an estimate of the total Purchase Price set out in the Stalking Horse Bid. The Debtors, the Monitor and their respective advisors make no representation or warranty whatsoever as to the information (including as to the accuracy or completeness of such information) made available pursuant to the SISP, including in the data room, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Debtors.
14. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Debtors.
15. The Monitor, in consultation with the Debtors, shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Debtors, in their reasonable business judgment and after consulting with the Monitor, may agree.
16. The Monitor shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Debtors nor the Monitor shall be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Debtors, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

## **PHASE 1: BINDING BIDS**

### *Formal Binding Bids*

17. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Debtors or their Property or Business shall submit a binding offer (a "**Binding Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 pm on March 8, 2024 or on such date and time as may be modified by the Monitor (the "**Bid Deadline**"):
  -



- (a) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Debtors or their Property or Business and is consistent with any necessary terms and conditions established by the Debtors and the Monitor and communicated to Qualified Bidders;
- (b) the bid includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined herein), provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (c) the bid includes duly authorized and executed transaction agreements, substantially in the form provided in the data room, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;
- (d) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Debtors and the Monitor to make a determination as to the Qualified Bidder's financial and other capabilities to consummate the proposed transaction;
- (e) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld from the Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Debtors receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (f) the bid (other than the Stalking Horse Bid) does not include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid (as defined herein);
- (g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;
- (h) for a Sale Proposal, the bid includes payment of a non-refundable deposit in the form of a wire transfer to a trust account specified by the Monitor (a "**Deposit**") in an amount not less than 20% of the Purchase Price by the Bid Deadline;
- (i) for an Investment Proposal, the bid includes payment of a Deposit in the amount of not less than 20% of the total new investment contemplated in the bid by the Bid Deadline;
- (j) the bid includes acknowledgements and representations of the Qualified Bidder that the Qualified Bidder:
  - (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Debtors prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld from the Qualified Bidder);

- (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and
- (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Debtors or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtors;
- (k) the bid and Deposit are received by the Bid Deadline;
- (l) the bid contemplates closing the transaction set out therein no later than March 29, 2024.

### *Assessment of Binding Bids*

18. Following the Bid Deadline, the Monitor, together with the Debtors and Interim Lender, will assess the Binding Bids received, following which they will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Binding Bids received (other than the Stalking Horse Bid) shall be deemed to be Qualified Bids without the approval of the Monitor. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s). For certainty, provided the Stalking Horse Bid is approved by the Court, the Stalking Horse Bid is deemed to be a Qualified Bid.
19. If at the Bid Deadline, at least one Qualified Bid other than the Stalking Horse Bid has been received, the Monitor, in consultation with the Debtors and Interim Lender, will evaluate Qualified Bids based upon several factors including, without limitation:
  - (a) the Purchase Price and the net value provided by such bid;
  - (b) the identity, circumstances and ability of the Qualified Bidder to successfully complete such transactions;
  - (c) the proposed transaction documents;
  - (d) factors affecting the speed, certainty and value of the transaction;
  - (e) the assets included or excluded from the bid;
  - (f) any related restructuring costs; and
  - (g) the likelihood and timing of consummating such transaction.

The Debtors may, with the approval of the Monitor and Interim Lender, choose to aggregate separate Binding Bids from unaffiliated Qualified Bidders to create one Qualified Bid if such aggregated Qualified Bid would constitute a superior offer.

### *Selection of Successful Bid*

20. For certainty, if at the Bid Deadline, no Qualified Bids have been received that improve upon the terms and conditions of the Stalking Horse Bid, as determined by the Monitor in consultation with the Debtors and Interim Lender, the Stalking Horse Bid will be declared the highest or otherwise best bid (the "**Successful Bid**", and, as applicable, the Qualified Bidder making such Successful

Bid, the "**Successful Bidder**") and will close in accordance with the terms of the Successful Bid and any applicable Court orders.

21. If the Monitor, in consultation with the Debtors and Interim Lender, determines, in its reasonable discretion, that:
- (a) one or more Qualified Bids have been received for Property not contemplated in the Stalking Horse Bid, the Monitor may designate the applicable Qualified Bids as the respective Successful Bids for the applicable Property (as well as any applicable Back-up Bids).
  - (b) one or more Qualified Bids have been received for some or all of the Property contemplated in the Stalking Horse Bid, the Monitor may either:
    - (i) designate one or more Qualified Bids as Successful Bids and one or more of the other Qualified Bids as Back-up Bids; or
    - (ii) provide all parties that have made Qualified Bids, including the Stalking Horse Bidder, the opportunity to make further bids through the auction process set out below (the "**Auction**").

## **AUCTION**

### *Auction Process*

22. In the event of an Auction, the Monitor shall conduct the Auction commencing at 10:00 a.m. on March 13, 2024 at the offices of the Monitor's legal counsel, Cassels, Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3 St SW, Calgary, AB T2P 5C5, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Monitor.
23. The Auction shall run in accordance with the following procedures, which shall be adjusted accordingly in the event of any adjournment of the Auction by the Monitor:
- (a) prior to 5:00 p.m. on March 11, 2024, the Monitor will provide unredacted copies of the Qualified Bid(s) which the Monitor believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to all Qualified Bidders that have made a Qualified Bid;
  - (b) prior to 5:00 p.m. on March 12, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Monitor by email whether it intends to participate in the Auction (the parties who so inform the Monitor that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
  - (c) prior to the Auction, the Monitor shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
  - (d) during the morning of March 13, 2024, the Monitor shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids will be evaluated

during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Monitor, and such other persons as permitted by the Monitor (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Monitor shall have the discretion to allow such persons to attend by teleconference);
- (f) the Monitor shall arrange to have a court reporter attend the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below) or Back-up Bid;
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room and on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual present at the Auction with authority to bind such Auction Bidder;
- (k) the Monitor may employ and announce at the Auction such additional procedural rules that are reasonable under the circumstances (including but not limited to, the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, general practice in insolvency proceedings, or the Initial Order and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (each, a "**Subsequent Bid**") that the Monitor, utilizing the Comparison Model, determines is:
  - (i) for the first round, a higher or otherwise better offer than the Starting Bid;
  - (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below),

in each case by at least the minimum incremental overbid of at least \$200,000. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (in each round, the "**Leading Bid**"). A round

of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Monitor), an Auction Bidder submitting a Subsequent Bid must submit, at the Monitor's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Monitor), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
  - (n) the Monitor reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Monitor and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Monitor with such additional evidence as the Monitor, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;
  - (o) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
  - (p) the Auction shall be closed within 2 Business Days of the start of the Auction unless otherwise extended by the Monitor; and
  - (q) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
24. At the end of the Auction, the Monitor shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Monitor (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.
25. Notwithstanding the foregoing, the Monitor may designate one or more Qualified Bids (whether made in the Auction or not) as a "**Back-up Bid**" and the person(s) who made the Back-up Bid shall be a "**Back-up Bidder**" hereunder. A Back-up Bid shall remain enforceable against the Back-up Bidder until either the transaction contemplated by the initial applicable Successful Bid closes (in which case the Back-up Bid shall be deemed to terminate and the Back-up Bidder shall receive its Deposit back) or the transaction contemplated by the initial Successful Bid does not close, in which case the Monitor may deem the best Back-up Bid to be the Successful Bid for the purposes of the SISP Procedures.

#### ***Transaction Approval Application Hearing***

26. If the Successful Bid is the Stalking Horse Bid, the Stalking Horse Bidder and Debtors will use best efforts to close the transaction by no later than March 15, 2024.

27. If the Stalking Horse Bid is not the Successful Bid, or if the Stalking Horse Bid is a Successful Bid and there is another Successful Bid for separate Property, the Debtors will bring an application to approve the transaction with the other Successful Bidder (the "**Transaction Approval Application**") as soon as reasonably practicable after finalization of the transaction agreement(s).
28. All the Qualified Bids other than the Successful Bid and Back-up Bids, if any, shall be deemed to be rejected on and as of the date of the closing of the transaction contemplated by the Successful Bid if the Stalking Horse Bid or Court approval of the Successful Bid is not the Stalking Horse Bid.

### ***Confidentiality and Access to Information***

29. All discussions regarding a Sale Proposal, Investment Proposal, Binding Bid or Qualified Bid shall be directed through the Monitor. Under no circumstances should the management or employees of the Debtors be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication may result in exclusion of the interested party from the SISP Procedures.
30. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all current participants relating to the number or identity of Potential Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Debtors, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Debtors, with the approval of the Monitor and Interim Lender and consent of the applicable participants, are seeking to combine separate bids from Qualified Bidders, in which case they shall use reasonable efforts to protect the confidentiality of such party's confidential information.
31. The Monitor may consult with any other parties with a material interest in the CCAA Proceedings (including the Interim Lender) regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (taking into account, among other things, whether any particular party is a Potential Bidder, Qualified Bidder or other participant or prospective participant in the SISP or involved in a bid), provided that such parties shall have entered into confidentiality arrangements satisfactory to the Debtors and the Monitor.

### ***Deposits***

32. All Deposits shall be retained by the Monitor in a non-interest-bearing trust account located at a financial institution in Canada selected by the Monitor. The Monitor may waive the requirement of a Deposit if it believes sufficient security or certainty has been provided by a Qualified Bidder, including by way of a credit bid.
33. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Successful Bidder shall be applied to the consideration to be paid upon closing of the transaction constituting the Successful Bid.
34. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid or a Back-up Bid shall be returned to such Qualified Bidder within five (5) Business Days of the date that the Debtors select a Successful Bid and Back-up Bid, if applicable.
35. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Monitor for and on behalf of the Debtors; provided however that the forfeit of such

Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have in respect of such breach or default.

36. If the Debtors are unable to complete the Successful Bid as a result of their own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

### ***Supervision of the SISP***

37. The Monitor shall oversee the conduct of the SISP in all respects. Without limitation to that supervisory role, the Monitor shall participate in the SISP in the manner set out in this SISP Procedure, the Initial Order, and any other order of the Court, and is entitled to receive all information in relation to the SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.
38. The Monitor, in consultation with the Debtors and Interim Lender, may waive compliance with any one or more of the requirements of this SISP, including, for greater certainty, waiving strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid.
39. This SISP does not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors or the Monitor and any Potential Bidder, any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Debtors.
40. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, the Successful Bidder, any Back-up Bidder, the Debtors, or any other creditor or other stakeholder of the Debtors, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or willful misconduct of the Monitor. By submitting a bid, each Potential Bidder, Qualified Bidder, Successful Bidder and Back-up Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or willful misconduct of the Monitor.
41. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Binding Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.
42. Subject to the terms of the Initial Order, the Monitor, in consultation with the Debtors and Interim Lender, shall have the right to modify the SISP if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the service list in the CCAA Proceedings shall be advised of any substantive modification to the procedures set forth herein.
43. In order to discharge its duties in connection with the SISP the Monitor may engage professional or business advisors or agents as the Monitor deems fit in its sole discretion.

### ***Further Orders***

44. At any time during the SISP, the Monitor or the Debtors may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.



**Schedule "1"**

**To the Monitor:**

**FTI Consulting Canada Inc., the Monitor**

Attention: Dustin Olver / Robert Kleebaum  
Email: dustin.olver@fticonsulting.com/ robert.kleebaum@fticonsulting.com

With a copy to:

**Cassels, Brock & Blackwell LLP, legal counsel to the Monitor**

Attention: Jeffrey Oliver/Danielle Marechal  
Email: joliver@cassels.com/dmarechal@cassels.com

**To the Debtors:**

**Collision Kings Group Inc. et al, the Debtors**

Attention: Shane Daerden  
Email: shane@collisionkings.ca

**MLT Aikins LLP, legal counsel to the Debtors**

Attention: JJ Burnell  
Email: jburnell@mltaikins.com

**Schedule 1.1(xxx)**

**Vesting Order**

See attached.

COURT FILE NUMBER 2401-  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED

Clerk's stamp

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS

COLLISION KINGS GROUP INC., CMD  
HOLDINGS INC., EAST LAKE COLLISION LTD.,  
MAYLAND HEIGHTS COLLISION LTD.,  
SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
BODY LTD., CMD GLASS LTD., ROYAL VISTA  
COLLISION LTD., STATHKO INVESTMENTS  
LTD., NICK'S REPAIR SERVICE LTD., 10026923  
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT

**APPROVAL AND VESTING ORDER  
(Lift Group Transaction)**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MLT AIKINS LLP**  
Barristers and Solicitors  
360 Main St. 30<sup>th</sup> Floor  
Winnipeg, MB R3C 4G1  
Telephone: 204.957.4663  
Fax No.: 204.957.0840  
Attention: JJ Burnell  
Email: jburnell@mltaikins.com  
File No.: 0137640.00022

---

**DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 14, 2024**

**LOCATION WHERE ORDER WAS PRONOUNCED: EDMONTON ALBERTA**

**NAME OF JUSTICE WHO MADE THIS ORDER: THE HONOURABLE JUSTICE M.J. LEMA**

---

**UPON THE APPLICATION** by Collision Kings Group Inc., CMD Holdings Inc., East Lake Collision Ltd., Mayland Heights Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., CMD Glass Ltd., Royal Vista Collision Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (collectively the “**Applicants**”) for an order (this “**Order**”), among other things, approving the sale transaction and assignment of contracts (the “**Transaction**”) contemplated by the Asset Purchase Agreement (the “**APA**”) between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (the “**Vendors**”) and Lift Auto Group Operating Corporation (“**Lift**” or the “**Purchaser**”) dated January \*\*\*, 2024 and appended to the Affidavit of Shane Daerden sworn January 30, 2024 (the “**Daerden Affidavit**”), and vesting in the Purchaser the Vendors’ right, title and interest in and to the assets (the “**Purchased Assets**”) and the assignment of the Assigned Contracts (as defined in the APA) to the Purchaser;

**AND UPON HAVING READ** the Application, the Initial Order (the “**Initial Order**”) granted by Justice Neilson in the within proceedings on February 7, 2024, the Amended and Restated Initial Order (the “**ARIO**”) granted by Justice Lema in the within proceedings on February 14, 2024, the Daerden Affidavit, the Confidential Affidavit of Shane Daerden sworn January 30, 2024 (the “**Confidential Affidavit**”), the Pre-filing Report of the Court-appointed Monitor FTI Consulting Canada Inc. (“**FTI**” or the “**Monitor**”) dated January \*\*\*, 2024 and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Applicants, The Toronto-Dominion Bank, FTI, and the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

## APPROVAL OF TRANSACTION

2. The Transaction is hereby approved and execution of the APA by the Vendors is hereby authorized and approved, with such minor amendments as the Vendors and the Monitor may deem necessary. The Vendors and the Monitor are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets and the assignment of the Assigned Contracts (as defined in the APA) to the Purchaser (the “**Assigned Contracts**”).

## VESTING OF PROPERTY

3. Notwithstanding any other provision of this Order: (i) this Order shall only be effective and come into force upon the filing of a certificate by the Monitor (the “**Monitor’s Bid Selection Certificate**”) substantially in the form attached as **Schedule “A”**; and (ii) this Order may be set aside by this Honourable Court on further application by the Applicants if the Sale Process Certificate is not filed as a result of the APA being the Successful Bid (as defined in the Sales and Investment Solicitation Process attached as Schedule “A” to the Initial Order (the “**SISP**”) being received within the SISP.
4. Upon delivery of a Monitor’s certificate to the Purchaser substantially in the form set out in **Schedule “B”** hereto (the “**Monitor’s Closing Certificate**”) all of the Vendors’ right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser, and all of the rights and obligations of the Vendors under and to the Assigned Contracts, listed on Schedule “B”, shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the CCAA free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the ARIO;

- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), *The Personal Property Security Act* (Manitoba), *The Personal Property Security Act, 1993* (Saskatchewan) or any other personal property registry system;
- (c) any liens or claims of lien under *The Builders' Lien Act* (Manitoba); and
- (d) those Claims listed in **Schedule "E"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "F"** (collectively, "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

5. Upon delivery of the Monitor's Closing Certificate and the registration in the Winnipeg Land Titles Office ("**WLTO**") of a Transmission in the form prescribed by *The Real Property Act* (Manitoba) (the "**RPA**") duly executed by the Purchaser, and accompanied by a certified true copy of this Order, title to the real property identified in **Schedule "C"** hereto (the "**Bunzy's Real Property**") shall vest in the Purchaser subject to all instruments registered on title at that time, other than those described in Schedule "D", and the District Registrar of Manitoba is hereby directed to issue title accordingly.
6. Upon delivery of the Monitor's Closing Certificate and the registration in the Neepawa Land Titles Office ("**NLTO**") of a Transmission in the form prescribed by RPA duly executed by the Purchaser, and accompanied by a certified true copy of this Order, title to the real property identified in **Schedule "D"** hereto (the "**Nicks' Real Property**") shall vest in the Purchaser subject to all instruments registered on title at that time, other than those described in Schedule "D", and the District Registrar of Manitoba is hereby directed to issue title accordingly.
7. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph, but subject to paragraphs 4 and 5 above (collectively, "**Governmental Authorities**") are hereby authorized, requested and

directed to accept delivery of such Monitor's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrars of the Alberta, Manitoba and Saskatchewan Personal Property Registries (the "**PPR Registrars**") shall each and is hereby directed to forthwith cancel and discharge any registrations at the respective Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Vendors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

8. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the APA. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
9. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Vendors of the APA.
10. This Order shall be accepted by the District Registrar of Manitoba notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.
11. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Monitor) shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted

against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Monitor may apply any part of such net proceeds to repay any amounts the Monitor has borrowed for which it has issued a Monitor's Certificate pursuant to the ARIO.

12. Except as expressly provided for in the APA or by sections 5 of the Alberta *Employment Standards Code* and *The Employment Standards Code* (Manitoba) and section 2-10 of *The Saskatchewan Employment Act* the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Vendors.
13. Upon completion of the Transaction, the Vendors and all persons who claim by, through or under the Vendors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
14. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Vendors, or any person claiming by, through or against the Vendors.
15. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Vendors.



16. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser.
17. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Vendors are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the Vendors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Vendors was entitled.

#### **ASSIGNMENT OF ASSIGNED CONTRACTS**

18. The assignment of the Assigned Contracts is declared valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction, condition or prohibition contained in any such Assigned Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
19. No counterparty under any Assigned Contract, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Assigned Contracts hereunder shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Assigned Contract against the Purchaser relating to:
  - (a) the Applicants having sought or obtained relief under the CCAA;
  - (b) the insolvency of the Applicants; or
  - (c) any failure by the Applicants to perform a non-monetary obligation under any Assigned Contract,

and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the Closing Date (as defined in the APA) under the Assigned Contracts other than in respect of items (a) – (b) above.

#### **CURE COSTS**

20. All monetary defaults in relation to the Assigned Contracts existing prior to the Closing Date, if any, other than those arising by reason only of the insolvency of the Applicants,

the commencement of these CCAA proceedings or the failure to perform a non-monetary obligation under any Assigned Contract, shall be paid by the responsible party to the applicable counterparty on the Closing Date (or to the Monitor in trust on Closing for distribution to the applicable counterparty as soon as practicable thereafter) in accordance with the terms of the APA.

### **MISCELLANEOUS MATTERS**

21. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”), in respect of the Vendors, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Vendors; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets and the Assigned Contracts in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

22. The Monitor, the Applicants, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
23. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this

Court in carrying out the terms of this Order, to give effect to this Order and to assist the Applicants and the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and its agents in carrying out the terms of this Order.

24. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Monitor's website at:  
<http://cfcanada.fticonsulting.com/collisionkings>

and service on any other person is hereby dispensed with.

25. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

---

Justice of the Court of Queen's Bench of Alberta

**Schedule "A"****Form of Monitor's Bid Selection Certificate**

COURT FILE NUMBER 2401-  
 COURT COURT OF KING'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY

Clerk's stamp

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

AND IN THE MATTER OF A PLAN OF  
 COMPROMISE OR ARRANGEMENT OF  
 COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
 LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., NICK'S REPAIR SERVICE LTD., 10026923  
 MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS

COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
 LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., NICK'S REPAIR SERVICE LTD., 10026923  
 MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT

**MONITOR'S BID SELECTION CERTIFICATE  
 (Lift Group Transaction)**

ADDRESS FOR SERVICE  
 AND CONTACT  
 INFORMATION OF  
 PARTY FILING THIS  
 DOCUMENT

**CASSELS BROCK & BLACKWELL LLP**  
 Barristers and Solicitors  
 Suite 3810, Bankers Hall West, 888 3<sup>rd</sup> Street SW  
 Calgary, AB T2P 5C5  
 Telephone: 403.351.2921 / 403.351.2922  
 Attention: Jeffrey Oliver / Danielle Marechal  
 Email: joliver@cassels.com /  
 dmarechal@cassels.com  
 File No.: 55118-4

## RECITALS

- A. Pursuant to an Order of the Honourable Justice Neilson of the Court of King’s Bench of Alberta, Judicial District of Edmonton (the “**Court**”) dated February 7, 2024, as amended and restated by the Order of the Honourable Justice Lema dated February 14, 2024, FTI Consulting Canada Inc. was appointed as the Monitor (the “**Monitor**”) of the undertakings, property and assets of (the “**Applicants**”).
- B. Pursuant to an Order of the Court dated February 14, 2024 (the “**SAVO**”), the Court approved the asset purchase agreement made as of January **\*\*\***, 2024 (the “**APA**”) between the between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick’s Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy’s Auto Body Ltd. (the “**Vendors**”) and Lift Auto Group Operating Corporation (“**Lift**” or the “**Purchaser**”) and provided for the vesting in the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets, and the assignment of the Assigned Contracts which vesting and assignment is to be effective with respect to the Purchased Assets and the Assigned Contracts upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APA) for the Purchased Assets; (ii) that the conditions to Closing as set out in section **\*\*\*** of the APA have been satisfied or waived by the Vendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the SAVO.

### **THE MONITOR CERTIFIES** the following:

1. The APA was not the Successful Bid as defined in the SISP or, in the alternative, the APA is the Successful Bid and, as a result, the Vendors intend to proceed to complete the Transaction contemplated by the APA; and

2. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**FTI Consulting Canada Inc., in its capacity as Monitor of the undertakings, property and assets of [Vendors], and not in its personal capacity.**

**Per: \_\_\_\_\_**  
**Name:**  
**Title:**

**Schedule "B"****Form of Monitor's Closing Certificate**

COURT FILE NUMBER 2401-  
 COURT COURT OF KING'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY

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

Clerk's stamp

AND IN THE MATTER OF A PLAN OF  
 COMPROMISE OR ARRANGEMENT OF  
 COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
 LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., NICK'S REPAIR SERVICE LTD., 10026923  
 MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

APPLICANTS COLLISION KINGS GROUP INC., CMD  
 HOLDINGS INC., EAST LAKE COLLISION LTD.,  
 MAYLAND HEIGHTS COLLISION LTD.,  
 SUNRIDGE COLLISION LTD., 2199931 ALBERTA  
 LTD., COLLISION KINGS 3 LTD., ARROW AUTO  
 BODY LTD., CMD GLASS LTD., ROYAL VISTA  
 COLLISION LTD., STATHKO INVESTMENTS  
 LTD., NICK'S REPAIR SERVICE LTD., 10026923  
 MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

DOCUMENT **MONITOR'S CLOSING CERTIFICATE  
 (Lift Group Transaction)**

ADDRESS FOR SERVICE  
 AND CONTACT  
 INFORMATION OF  
 PARTY FILING THIS  
 DOCUMENT **CASSELS BROCK & BLACKWELL LLP**  
 Barristers and Solicitors  
 Suite 3810, Bankers Hall West, 888 3<sup>rd</sup> Street SW  
 Calgary, AB T2P 5C5  
 Telephone: 403.351.2921 / 403.351.2922  
 Attention: Jeffrey Oliver / Danielle Marechal  
 Email: joliver@cassels.com /  
 dmarechal@cassels.com  
 File No.: 55118-4

## RECITALS

- A. Pursuant to an Order of the Honourable Justice Neilson of the Court of King's Bench of Alberta, Judicial District of Edmonton (the "**Court**") dated February 7, 2024, as amended and restated by the Order of the Honourable Justice Lema dated February 14, 2024, FTI Consulting Canada Inc. was appointed as the Monitor (the "**Monitor**") of the undertakings, property and assets of (the "**Applicants**").
- B. Pursuant to an Order of the Court dated February 14, 2024 (the "**SAVO**"), the Court approved the asset purchase agreement made as of January **\*\*\***, 2024 (the "**APA**") between the between CMD Holdings Inc., East Lake Collision Ltd., Sunridge Collision Ltd., 2199931 Alberta Ltd., Collision Kings 3 Ltd., Arrow Auto Body Ltd., Stathko Investments Ltd., Nick's Repair Service Ltd., 10026923 Manitoba Ltd. and Bunzy's Auto Body Ltd. (the "**Vendors**") and Lift Auto Group Operating Corporation ("**Lift**" or the "**Purchaser**") and provided for the vesting in the Purchaser of the Vendors' right, title and interest in and to the Purchased Assets, and the assignment of the Assigned Contracts which vesting and assignment is to be effective with respect to the Purchased Assets and the Assigned Contracts upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the APA) for the Purchased Assets; (ii) that the conditions to Closing as set out in section **\*\*\*** of the APA have been satisfied or waived by the Vendors and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the SAVO.

### **THE MONITOR CERTIFIES** the following:

3. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets and the Assigned Contracts payable on the Closing Date pursuant to the APA;
4. The applicable parties have paid and the Monitor has received any Cure Costs in respect of the Assigned Contracts pursuant to the APA;
5. The conditions to Closing as set out in section **\*\*\*** of the APA have been satisfied or waived by the Monitor and the Purchaser; and



6. The Transaction has been completed to the satisfaction of the Monitor.
7. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**FTI Consulting Canada Inc., in its capacity as Monitor of the undertakings, property and assets of [Vendors], and not in its personal capacity.**

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

**Name:**

**Title:**

**Schedule "C"**  
**Bunzy's Real Property**

**Title No. 1409033/1**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

BUNZY'S AUTO BODY LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN

**Schedule "D"**  
**Nick's Real Property**

**Title No. 2985050/5**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

PARCEL ONE:

PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

PARCEL TWO:

PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM

**Title No. 2985051/5**

**REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION**

10026923 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON IN THE FOLLOWING DESCRIBED LAND:

LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

**Schedule "E"**  
**Claims**

<p>Title No: 1409033/1 (Manitoba) BUNZY'S AUTO BODY LTD. SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN</p>			
<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	4982387/1	2018-07-31	Crosstown Civic Credit Union
Personal Property Security Notice	4994171/1	2018-09-04	Crosstown Civic Credit Union

<p>Title No: 2985050/5 (Manitoba) 10026923 MANITOBA LTD. PARCEL ONE: PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES &amp; MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM PARCEL TWO: PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM</p>			
<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	1135535/5	2018-12-04	Royal Bank of Canada
Mortgage	1135536/5	2018-12-04	William Garth White & Gail Ann White

Title No: 2985051/5 (Manitoba) 10026923 MANITOBA LTD. LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM			
<b>Instrument Type</b>	<b>Registration Number</b>	<b>Registration Date</b>	<b>Registrant</b>
Mortgage	1135535/5	2018-12-04	Royal Bank of Canada
Mortgage	1135536/5	2018-12-04	William Garth White & Gail Ann White

## Schedule "F"

### Permitted Encumbrances

- (a) the reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown, including, without limitation, the reservation of any mines and minerals in the Crown or in any other Person and any implied conditions set out in *The Law of Property Act* (Manitoba) as amended, replaced or restated from time to time or any other similar Applicable Law;
- (b) encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business;
- (c) all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Purchased Assets in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of the Crown, any province or municipality or any other Governmental Authority;
- (d) rights of expropriation, access or use or any similar right conferred or reserved by any Applicable Law;
- (e) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements; and
- (f) any easements, servitudes, rights-of-way, licences, agreements, restrictions that run with the land (including, without limitation, easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables);

The following Alberta registrations:

- Nil.

The following Manitoba registrations:

- Caveat 1094591/5 registered in favour of the Manitoba Hydro-Electric Board on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM.
- Caveat 1028093/5 registered in favour of MTS Communications Inc. on the property civically described as 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM

The following Saskatchewan registration:

- Nil.

## **Schedule 1.1(ww)**

### **Lands and Real Property Leases**

The following Alberta Lands and Real Property Leases:

- g) Lease agreement dated September 25, 2020, between 1318920 Alberta Ltd., as landlord, and CMD Holdings Inc., as tenant, for the property civically described as 4600-112 Ave, SE, Calgary, Alberta and legally described as PLAN 0611776 BLOCK 11 LOT 17 EXCEPTING THEREOUT ALL MINES AND MINERALS;
- h) Lease agreement dated March 1, 2021, between Hansfeld Properties Ltd., as landlord, and Arrow Autobody Ltd., as tenant, for the property civically described as 3648 Burnsland Road, SE, Calgary, Alberta and legally described as PLAN CALGARY 8490AP BLOCK NINE (9) LOTS SEVENTEEN (17) TO TWENTY FIVE (25) INCLUSIVE EXCEPTING THEREOUT: AS TO SURFACE ONLY OUT OF LOT TWENTY FIVE (25) THE PORTION FOR ROAD ON PLAN 8210927;
- i) Lease agreement dated May 14, 2007, between Autobahn Auto Works Ltd., as landlord, and Sunridge Collision Ltd., as tenant, as amended by a lease extension agreement dated November 17, 2021, for the property civically described as 2601-29<sup>th</sup> Street, NE, Calgary, Alberta and legally described as PLAN 8710359 BLOCK 6 LOT 13 EXCEPTING THEREOUT ALL MINES AND MINERALS;
- j) Lease agreement dated effective May 4, 2011, between City of Calgary, as landlord, and Stathko Investments Ltd., as tenant, for the property civically described as 1407-9 Avenue SW, Calgary, Alberta and legally described as PLAN 9211838 BLOCK 45 LOT 1 EXCEPTING THEREOUT: PLAN NUMBER HECTARES ACRES (MORE OR LESS) SUBDIVISION 9412695 0.097 0.34;
- k) Lease agreement dated effective August 1, 2019, between DDG Holdings Ltd., as landlord, and Collision Kings 3 Ltd., as tenant, for the property civically described 12624-99 Street, Grande Prairie, Alberta and legally described as PLAN 2524KS BLOCK 1 LOT 31 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 32 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 33 EXCEPTING THEREOUT ALL MINES AND MINERALS; PLAN 2524KS BLOCK 1 LOT 34 EXCEPTING THEREOUT ALL MINES AND MINERALS; and PLAN 2524KS BLOCK 1 LOT 35 EXCEPTING THEREOUT ALL MINES AND MINERALS; and
- l) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant, for the property civically described 5706 – 44 Street, Lloydminster, Alberta and legally described as PLAN 320HW BLOCK 49 LOT 6 EXCEPTING THEREOUT ALL MINES AND MINERALS.

The following Manitoba Lands:

- a) The lands and premises located at 149 MB-16 W, Neepawa, Manitoba and legally described as LOT 2 PLAN 52644 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES AND MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM and PARCEL ONE: PARCEL "B" PLAN 5203 NLTO EXC: AN UNDIVIDED ONE-HALF INTEREST IN ALL MINES & MINERALS IN TRANSFER 95792 NLTO IN SW 1/4 32-14-15 WPM, and PARCEL TWO: PARCEL "B" PLAN 5203 NLTO SUBJECT TO SPECIAL RESERVATIONS AS TO MINES MINERALS AND OTHER MATTERS AS PARTICULARLY DEFINED IN THE ORIGINAL GRANT FROM THE CROWN IN SE 1/4 32-14-15 WPM; and
- b) The lands and premises located at 52 Austin Street, Winnipeg, Manitoba and legally described as SP LOT 19 PLAN 32688 WLTO IN RL 35 PARISH OF ST JOHN.

The following Saskatchewan Lands and Real Property Leases:

- a) Lease agreement dated effective November 25, 2019, between Triple G Investments Ltd., as landlord, and 2199931 Alberta Ltd., as tenant, for the property civically described 4407 52 Street Lloydminster, Saskatchewan and legally described as Blk/Par C Plan No 75B00736 Extension 0 As described on Certificate of Title 01B01969.



**Schedule 1.1(hh)**

**Equipment and Personal Property**

- a) All equipment and personal property located at 3648 Burnsland Road, SE, Calgary, Alberta, as viewed by the Purchaser on January 29, 2024, including, but not limited to, the following:

<b>Asset List for Collision Kings - Burnsland</b>				
<b>Asset Listing</b>				
<b>Equipment Type</b>	<b>Owned?</b>	<b>Make</b>	<b>Model Number</b>	<b>Year of Purchase</b>
Paint Booth #1	N/A	Custom Made into building	N/A	
Paint Booth #2	N/A			
Prep Station	N/A			
Frame Machine	Yes	Car O Liner Bench Rack		2000's
Resistance Welder	Yes	Car O Liner CR500		2000's
Other Welders	Yes	SP5 Prospot		2010's
Other Welders	Yes	STRW Prospot 15		2010's
Other Welders	Yes	Miller 211		
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 20 HP		2000's
AC Machines	Yes	RTI 134A		2000's
Aluminum Station and Tools	N/A	Shared		
Hoist	Yes	Wheel Tronic 11K LBS		Late 90's
Rivetor	N/A	Shared		

- b) All equipment and personal property located at 1407-9 Avenue SW, Calgary, Alberta, as viewed by the Purchaser on January 30, 2024, including, but not limited to, the following:

Asset List for Collision Kings - Downtown				
Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Garmat		1990's
Paint Booth #2	Yes	Older DD Booth possible Garmat		1980's
Prep Station	N/A	Duster 3000		2000's
Frame Machine	Yes	Wedge CAS		
Resistance Welder	Yes	Car O liner CR500		2000's
Other Welders	Yes	Miller 211		
Other Welders	Yes	Prospot SP5		2010's
Other Welders	N/A			
3D Measuring System	N/A	Tram Gauge only		
Compressor	Yes	Boge C15		2000's
AC Machines	Yes	CPS Dual		2010's
Aluminum Station and Tools	N/A	Shared		
Hoist	N/A			
Rivetor	N/A	Shared		

- c) All equipment and personal property located at 4600-112 Ave, SE, Calgary, Alberta as viewed by the Purchaser on January 30, 2024, including, but not limited to, the following:

Asset List for Collision Kings - East Lake				
Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Garmat DD		1990's
Paint Booth #2	Yes	GFS Performer XP		2010's
Prep Station	Yes	Double Full Bake Possibly GFS		2000's
Frame Machine	Yes	Car O Liner Bench Rack +++ 2 Speed Racks		2000's
Resistance Welder	Yes	Prospot I4S		2010's
Other Welders	Yes	Prospt SP5		2010's
Other Welders	Yes	Miller 140		
Other Welders	N/A			
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 30HO		2010's
AC Machines	Yes	RTI 134		2010's
Aluminum Station and Tools				
Hoist	Yes	Challenger SA10 10K Lbc		2010's
Rivetor				

- d) All equipment and personal property located at 2601-29<sup>th</sup> Street, NE, Calgary, Alberta, as viewed by the Purchaser on January 29, 2024, including, but not limited to, the following:

Asset List for Collision Kings - Sunridge				
Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Ultra		2000's
Paint Booth #2	Yes	GFS ultra		2000's
Prep Station	N/A			
Frame Machine	Yes	Col O Liner Bench Rack		2000's
Resistance Welder	Yes	Car O liner CR500		2000's
Other Welders	Yes	Prospot SP5		2010's
Other Welders	Yes	Miller 110		
Other Welders	N/A			
3D Measuring System	Yes	Car O Liner Vision		2000's
Compressor	Yes	Kaesar 51 HP		2010's
AC Machines	Yes	RTI 134		2010's
Aluminum Station and Tools	Yes	Dentfix		2010's
Hoist	Yes	John Bean 10LB		2010's
Riveter	Yes	Henrob FD		2010's

- e) All equipment and personal property located at 12624-99 Street, Grande Prairie, Alberta, as viewed by the Purchaser on November 24, 2023, including, but not limited to, the following:

Asset List for Collision Kings - Grand Prairie				
Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	Pyramid	99	
Paint Booth #2				
Prep Station				
Frame Machine	Yes	Goliath		
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System	Yes	Chief measuring		
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist				
Riveter	Yes			

- f) All equipment and personal property located at 5706 – 44 Street, Lloydminster, Alberta, as viewed by the Purchaser on November 23, 2023, including, but not limited to, the following:

**Asset List for Collision Kings - Lloyd AB**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Ultra		
Paint Booth #2				
Prep Station	Yes			
Frame Machine	Yes	Goliath		
Resistance Welder	Yes			
Other Welders				
Other Welders				
Other Welders				
3D Measuring System	Yes	Chief Laser Measuring		
Compressor	Yes			
AC Machines	Yes	Snap-on Eco Plus		
Aluminum Station and Tools				
Hoist				
Riveter	Yes			

- g) All equipment and personal property located at 4407 52 Street Lloydminster, Saskatchewan, as viewed by the Purchaser on November 23, 2023, including, but not limited to, the following:

**Asset List for Collision Kings - Lloyd SK**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes	GFS Certex CTOF		
Paint Booth #2	N/A			
Prep Station	Yes			
Frame Machine	Yes	World Rack		
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders	N/A			
Other Welders				
3D Measuring System	Yes	Chief Laser Measuring		
Compressor	Yes			
AC Machines	Yes	CPS & Robinair		
Aluminum Station and Tools	Yes			
Hoist	Yes			
Riveter	Yes			

- h) All equipment and personal property located at 52 Austin Street, Winnipeg, Manitoba, as viewed or will be viewed by the Purchaser on additional site visits, including, but not limited to, the following:

**Asset List for Collision Kings - Bunzy**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes			
Paint Booth #2	Yes			
Prep Station				
Frame Machine	Yes			
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System				
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist	Yes			
Riveter				

- i) All equipment and personal property located at 149 MB-16 W, Neepawa, Manitoba, as viewed or will be viewed by the Purchaser on additional site visits, including, but not limited to, the following:

**Asset List for Collision Kings – Nick’s Repair**

Asset Listing				
Equipment Type	Owned?	Make	Model Number	Year of Purchase
Paint Booth #1	Yes			
Paint Booth #2				
Prep Station				
Frame Machine	Yes			
Resistance Welder	Yes			
Other Welders	Yes			
Other Welders				
Other Welders				
3D Measuring System				
Compressor	Yes			
AC Machines				
Aluminum Station and Tools				
Hoist	Yes			
Riveter				

**Schedule 1.1(tt)**

**Intellectual Property**

**Registered Trademarks:**

<b>Trademark</b>	<b>Type</b>	<b>Registration No.</b>	<b>Current Owner</b>
COLLISION KINGS	Word	TMA1080745 (registered on 2020-07-27)	Collision Kings Group Inc.

**Trade Names**

- Arrow Auto Body
- Sunridge Collision
- East Lake Collision
- Don Golden Auto Body

**Domain Names, Phone Numbers, Email Addresses**

- collisionkings.ca
- facebook.com/CollisionKingsGroup
- instagram.com/CollisionKingsGroup
- (403) 250-7576
- (403) 264-7926
- (403) 265-6122
- (403) 261-3717
- (306) 825-0103
- (780) 875-9522
- (780) 539-6962
- (204) 476-5270

- (204) 942-7769

All additional phone numbers, email addresses, and website associated or owned by the Vendors.

**Schedule 3.2**

**Allocation Schedule**

To be provided prior to Closing.



**Schedule 7.2(d)**

**Employees**

See attached.