

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

PEOPLES TRUST COMPANY

Applicant

AND

CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

Respondents

APPLICATION RECORD

(Application for Initial Order)

November 6, 2023

GOWLING WLG (CANADA) LLP

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Toronto, ON M5X 1G5

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Lawyers for Peoples Trust Company, the Applicant

TO: SERVICE LIST

SERVICE LIST

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AND TO:	<p>ONTARIO MINISTRY OF FINANCE Insolvency Unit 33 King Street West, 6th Floor Oshawa, ON L1H 8H5</p> <p>Insolvency Unit Tel: 1-866-668-8297 Email: insolvency.unit@ontario.ca</p>

AND TO:	GREYPOINT CAPITAL INC. 77 Bloor Street West Suite 1704 M5S 1M2 Attention: Holly Allen and Andrew Spinner Email: handrew.spinner@greypoint.ca
AND TO:	THE TORONTO-DOMINION BANK - 14822 2300 STEELES AVE W, SUITE 100 VAUGHAN, ON, L4K 5X6
AND TO:	JIM PEPLINSKI LEASING INC. 81 The East Mall Suite 101 M8Z 5W3
AND TO:	FORD CREDIT CANADA LEASING, DIVISION OF CANADIAN ROAD LEASING COMPANY Box 1800 RPO Lakeshore West L6K 0J8
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AND TO:	RAHEEMA MORIN AND DUSTIN MORIN C/O 219, 6203 - 28 AVENUE EDMONTON, AB T6L 6K3

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TAB 1



Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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 CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

PEOPLES TRUST COMPANY

Applicant
AND

CROWN CREST CAPITAL MANAGEMENT CORP., CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP., SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME SERVICES CORP., AND CROWN CREST CAPITAL TRUST

Respondents

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Applicant. The claim made by the Applicant is set out on the following pages.

THIS APPLICATION will come on for a hearing (*choose one of the following*)

1. In person
2. By telephone conference
3. By video conference

at the following location:

Before a Judge of the Ontario Superior Court of Justice (Commercial List) on November 9, 2023 at 2:00 p.m. (ET) by judicial video conference via Zoom at Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: November 6, 2023

Issued by _____
Local Registrar

Address of Court Office:
330 University Avenue
Toronto, Ontario, Canada

TO: THE ATTACHED SERVICE LIST

1. THE APPLICANT, MAKES APPLICATION FOR, *inter alia*:

- (a) an initial order (the “**Initial Order**”), substantially in the form located at Tab 3 of the Application Record, pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) in respect of Crown Crest Financial Corp. (“**CCFC**”), Marble Amalco Inc. (“**TopCo**”), Simply Green Home Services Inc. (“**New Simply Green**”), Simply Green Home Services Corp. (“**Old Simply Green**”), Crown Crest Capital Management Corp. (“**CC Management Co**”), Crown Crest Funding Corp. (“**Trustee Co**”), and Crown Crest Capital Trust (“**CC Trust**” together with CCFC, TopCo, New Simply Green, Old Simply Green, CC Management Co, and Trustee Co, the “**Simply Green Group**” or the “**Companies**”), which includes relief related to the engagement of a chief restructuring officer (the “**Proposed CRO**”) in respect of the Companies; and
- (b) Such further and other relief as may be just and equitable;

2. THE GROUNDS FOR THE APPLICATION ARE:

- (a) The Companies operate a vertically integrated home energy rental, leasing and servicing business;
- (b) Since 2016, Peoples Trust Company (“**PTC**”) has been a principal source of secured financing for the Simply Green Group. It has done so through warehouse loan agreements and secured debentures advanced to certain of the Companies (the “**Loan Agreements**”). It has also entered into a number of concurrent leases (effectively a form of securitization, through “true lease” transactions), with members of the Simply

- Green Group under which PTC has rights pertaining to the underlying rents payable for specific portfolios of consumer rental agreements (“**Concurrent Leases**”);
- (c) As of September 30, 2023, PTC is owed approximately \$39,737,421.00 under the Loan Agreements and has further exposure under the Concurrent Leases in the amount of approximately \$279,655,155.00;
 - (d) The Simply Green Group is facing significant liquidity challenges;
 - (e) The Simply Green Group is insolvent and requires immediate support to maintain its business;
 - (f) PTC is the senior creditor and has a proprietary interest in a significant part of the Companies’ asset portfolio of customer rental agreements and security interests over all assets;
 - (g) After extensive discussions among PTC, the Companies and their senior management, the Proposed Monitor and advisors, all parties determined that it was in the best interest of stakeholder to seek CCAA protection for the Companies on the terms of the Initial Order.
 - (h) CCAA protection is needed to ensure the stability of the broad-based assets that make up the business and to ensure continuity of the cash flows which are critical to PTC’s position;
 - (i) Those other grounds set out in the affidavit of Michael Lombard Sworn November 6, 2023 (the “**Lombard Affidavit**”);

- (j) The provisions of the CCAA and the statutory, inherent, and equitable jurisdiction of this Honourable Court;
- (k) Rules 1.04, 3.02, 16.08, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43; and
- (l) Such further and other grounds as counsel may advise and this Honourable Court permit.

3. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Application:

- (a) The Lombard Affidavit and the exhibits thereto; and
- (b) Such further material as counsel may advise and this Honourable Court may permit.

Date: November 6, 2023

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Lawyers for the Applicant

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF CROWN CREST CAPITAL MANAGEMENT CORP.,
CROWN CREST FINANCIAL CORP., CROWN CREST FUNDING CORP.,
SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN HOME
SERVICES CORP., AND CROWN CREST CAPITAL TRUST

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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TAB 2

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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PEOPLES TRUST COMPANY

Applicant

AND

CROWN CREST CAPITAL MANAGEMENT CORP., CROWN
CREST FINANCIAL CORP., CROWN CREST FUNDING CORP.,
SIMPLY GREEN HOME SERVICES INC., SIMPLY GREEN
HOME SERVICES CORP., AND CROWN CREST CAPITAL
TRUST

Respondents

AFFIDAVIT OF MICHAEL LOMBARD

(Sworn November 6, 2023)

I, MICHAEL LOMBARD, of the City of Aurora, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the Chief Credit Officer, of the Applicant, Peoples Trust Company ("PTC"). As a result, I have personal knowledge of the matters to which I hereinafter depose save and except where I refer to

matters based on information and belief, in which case I verily believe that information to be true. Where I refer to matters pertaining to the structure and operation of the Respondents and their business, my information is derived from files maintained by PTC, information obtained from the Respondents and publicly available data.

2. This affidavit is sworn in support of an application by PTC pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the “**CCAA**”) seeking an initial order (the “**Initial Order**”) under the CCAA substantially in the form of the draft order included at Tab 3 of the Application Record, which includes relief related to the engagement of a chief restructuring officer in respect of the Respondents (the “**Proposed CRO**”). Should the Initial Order be granted, PTC intends to bring a motion, returnable during the initial ten (10) day stay period (the “**Comeback Hearing**”), seeking, among other things: (a) an extension of the stay of proceedings; and, (b) increases to the DIP Facility and DIP Lender’s Charge and to the Administrative Charge (as those terms are defined below; and, (c) such further relief as may be necessary or desirable.

I. OVERVIEW AND INTRODUCTION

3. The “Simply Green Leasing Group”, as that term is used in my affidavit is comprised of Crown Crest Financial Corp. (“**CCFC**”), Simply Green Home Services Inc. (“**New Simply Green**”), Simply Green Home Services Corp. (“**Old Simply Green**”), Crown Crest Capital Management Corp. (“**CC Management Co**”), Crown Crest Funding Corp. (“**Trustee Co**”), and Crown Crest Capital Trust (“**CC Trust**”). In this affidavit, I will sometimes refer to the Simply Green Leasing Group as the “**Companies**”.

4. At a high level, and as further described below, the Companies operate a vertically integrated home improvement equipment rental, leasing and servicing business.

5. Since 2016, PTC has been a principal source of secured financing for the Simply Green Leasing Group. It has done so through warehouse loan agreements and secured debentures advanced to certain of the Companies (the “**Loan Agreements**”). It has also entered into a number of concurrent leases (effectively a form of securitization, through “true lease” transactions), with members of the Simply Green Leasing Group under which PTC has certain rights pertaining to the underlying rents payable for specific portfolios of consumer rental agreements (“**Concurrent Leases**”). As of September 30, 2023, PTC is owed approximately \$39,737,421.00 under the Loan Agreements and has further exposure under the Concurrent Leases in the amount of approximately \$279,655,155.00.

6. As is described in greater detail below, the Simply Green Leasing Group is currently in a precarious position, faced with mounting liquidity issues as a result of significant increases in interest rates that are not offsetable by consumer lease payments, as well as potential class action litigation against certain of the Companies, which has not been certified.

7. If PTC’s Application is granted it is the intent of PTC to use these CCAA Proceedings in order to stabilize the business of the Simply Green Leasing Group and ultimately implement a strategy that will maximize stakeholder recovery from the equipment lease portfolios that represent substantially all of the value of the Companies’ business.

II. BUSINESS OF THE RESPONDENTS AND BACKGROUND

The Business of the Simply Green Leasing Group

8. Generally speaking, the Simply Green Leasing Group is in the business of renting and servicing home improvement equipment to retail consumers including hot water heaters, furnaces, heat pumps, air conditioners, boilers, air filtration systems and other related products. The equipment lease portfolio

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owned by the Simply Green Leasing Group is spread across the common law provinces of Canada, with the majority of the equipment leases concentrated in Ontario. The equipment lease portfolio includes equipment leases originated directly by the Simply Green Leasing Group and equipment leases acquired through transactions with other originators.

9. Under the typical equipment lease, customers make regular payments, typically for a term of ten (10) years, which the Simply Green Leasing Group collects and administers. Customers generally do not pay any upfront fee for the acquisition or installation of rented home improvement equipment, and the lease agreements provide that customers would not be responsible in the normal course for repairs of the equipment.

10. As noted above, from time to time, the Simply Green Leasing Group has acquired whole portfolios of equipment leases originated by third parties either by purchasing the equipment leases themselves or by acquiring companies that own pools of equipment leases. These transactions have been a significant driver of the Simply Green Leasing Group's growth. I understand that the majority of the Simply Green Leasing Group's current equipment lease portfolio has been acquired through transactions of this nature.

11. The Simply Green Leasing Group has also historically had arrangements with third party suppliers who would originate rental agreements with customers, and immediately sell those rental agreements to the Simply Green Leasing Group under an ongoing program agreement.

Corporate Structure and Description of the Simply Green Leasing Group

12. Each member of the Simply Green Leasing Group was incorporated and is existing in Ontario under the *Business Corporations Act* (Ontario). True copies of corporate profile reports for the entities

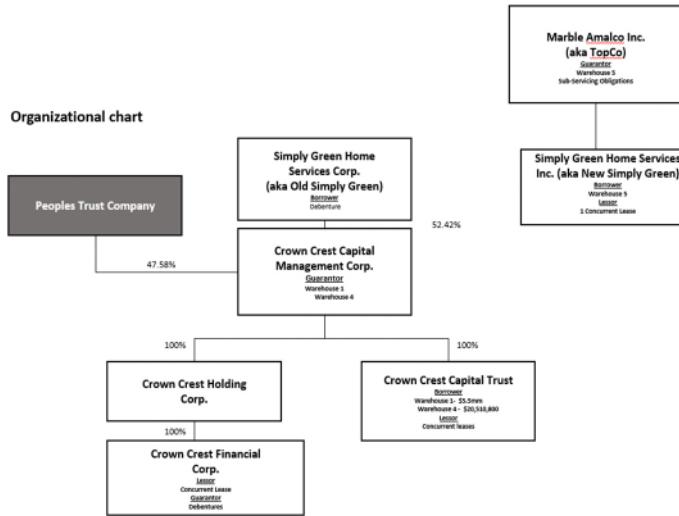
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that make up the Simply Green Leasing Group issued by the provincial ministry for the province of Ontario are attached as **Exhibit “A”** (the “**Corporate Profile**”).

13. The registered corporate office for each member of the Simply Green Leasing Group is located at 2225 Sheppard Ave East, here in Toronto (the “**Sheppard Office**”). My understanding is that the Sheppard Office is the head office of each of the Companies.

14. An organizational chart for the Simply Green Leasing Group is attached hereto as **Exhibit “B”** and set out below:



15. The Companies are further described in paragraphs 17 through 27 below.

Old Simply Green:

16. Old Simply Green is the direct and/or indirect parent of CC Management Co., CC Trust, Trustee Co., and CCFC. Prior to the 2020 Reorganization (as defined and described below), Old Simply Green held the operational assets used in the Simply Green Leasing Group's business to service the rental contract portfolio held by it, CCFC, and CC Trust. I understand that the servicing of the rental portfolios involves, among other things, financial monitoring and accounting, rental administration, default and collection management and management of the technical servicing of rented equipment.

17. Prior to the 2020 Reorganization, Old Simply Green originated rental agreements but no longer did so thereafter. As part of the 2020 Reorganization, Old Simply Green changed its name to "Simply Green Home Services Corp." from its prior name of "Simply Green Home Services Inc.". After the 2020 Reorganization, all new rental agreements that were originated "in-house" were originated by New Simply Green.

CCFC

18. CCFC is a party to a Concurrent Lease Agreement and a guarantor of certain debentures given by Old Simply Green. CCFC holds pools of equipment leases originated by third parties prior to the 2020 Reorganization.

CC Trust / CC Trustee / CC Management Co:

19. CC Trust is a special purpose funding trust and is also a party to three Concurrent Lease Agreements. It holds pools of equipment leases originated by other entities within the Simply Green Leasing Group and their affiliates, as well as portfolios bought from third parties prior to the 2020 Reorganization. CC Trustee is the trustee of the CC Trust. CC Management Co is the beneficiary and administrator of CC Trust.

New Simply Green:

20. New Simply Green was created in fall of 2020, as a part of a corporate reorganization (the “**2020 Reorganization**”) accomplished in tandem with the formation of 2775996 Ontario Inc. (“**277**”) to acquire adjacent consumer lending businesses (the “**Loan Business Acquisition**”). New Simply Green was originally incorporated as “2775153 Ontario Inc.” and thereafter changed its name to “Simply Green Home Services Inc.” the former name of Old Simply Green. As I understand it, the sole shareholder of New Simply Green is 277, now known as Marble Amalco Inc.

21. As part of the 2020 Reorganization, the operational assets (i.e. the assets other than the rental agreement portfolio assets) held by Old Simply Green were transferred to New Simply Green, including (a) all management and operational employees and independent contractors; (b) the head-office lease; (c) the owned and leased office furniture, equipment and vehicles used in the business; and, (d) other third party agreements, including servicing agreements, licenses required for the operation of the business.

22. I understand that part of the rationale for this transfer, was to realize synergies and economies of scale by unifying the servicing functions previously performed at the New Simply Green level with the assets and staff that were being acquired as part of the Loan Business Acquisition.

23. Existing consumer rental agreements held by CC Trust, CCFC, and Old Simply Green as at the time of the closing of the 2020 Reorganization were not transferred to New Simply Green. It was intended that these rental agreements would be run-off over the following 10-15 years within their existing Companies (the “**Pre 2020 Portfolio**”). Given that Old Simply Green, would no longer have the operational assets required to service the Pre 2020 Portfolio on closing, New Simply Green and Old Simply Green entered into a sub-servicing agreement with PTC’s consent, pursuant to which New Simply

Green agreed to fulfill all of the servicing obligations previously performed by Old Simply Green in relation to the Pre 2020 Portfolio (the “**Sub-Servicing Agreement**”). Post-closing, new rental agreements were originated via New Simply Green and no new rentals agreements were originated or otherwise transferred to Old Simply Green, CC Trust, or CCFC. New Simply Green continued to originate rentals from consumers until its origination operations were wound down commencing in June 2023.

Indebtedness to PTC

24. Since 2016, PTC has been a major source of financing for the Simply Green Leasing Group.

25. PTC has established credit facilities in favour of members of the Simply Green Leasing Group pursuant to three (3) warehouse loan agreements and two (2) debentures.

26. The Loan Agreements currently in place between members of the Simply Green Leasing Group and PTC are described in the below chart:

#	Borrower	Principal Amount of Facility	Title and Date of Agreement	Defined Term in this Affidavit	Exhibit to this Affidavit
1	CC Trustee in its capacity as trustee of CC Trust	\$5,500,000	Fourth Amended and Restated Warehouse Line of Credit Agreement dated January 1, 2023	“Warehouse 1”	Exhibit “C”
2	CC Trustee in its capacity as trustee of CC Trust	\$20,514,800	Third Amended and Restated Warehouse Line of Credit Agreement dated January 1, 2023	“Warehouse 4”	Exhibit “D”
3	New Simply Green	\$25,000,000	Second Amended and Restated Warehouse Line of Credit Agreement dated January 1, 2023	“Warehouse 5”	Exhibit “E”
4	Old Simply Green	\$10,000,000	Debenture dated January 19, 2018	“Debenture 1”	Exhibit “F”

Warehouse Loan Agreements

27. As a general matter, the Warehouse Loan Agreements provide for the financing of originated customer rental agreements, and the equipment and services to which they relate, on a rolling basis by way of advance requests for transactions that meet certain specified eligibility requirements. Advances to the Simply Green Leasing Group under the Warehouse Loan Agreements are limited to maximum amounts and sub-limited by borrowing base formulas based on a percentage of the remaining stream of payments under all rental agreements held by the borrower, discounted to present value.

28. Under the Warehouse Loan Agreements, rental transactions can be financed in weekly tranches as they are generated by authorized originators, or, subject to prescribed limits, can be the subject of portfolio refinancing transactions where “books of business” may be acquired and refinanced.

29. The Warehouse Loan Agreements establish applicable interest rates on outstanding advances, payable monthly. Subject to permitted and required prepayments, advances under the Warehouse Loan Agreements are payable in full on specified maturity dates unless extended at PTC’s option.

30. Collections received from rental customers are deposited in remittance or collection accounts, which are subject to blocked account agreements, as further described below. These collections, the rental agreements, the subject equipment, and all other assets relating to the customer rental transactions are subject to the security interests created under the security summarized in paragraphs 42 and 43 below.

31. Based on Simply Green Leasing Group’s own statements concerning its cash flow deficits resulting from significant rises in interest rates and lack of liquidity to offset them, relevant members of the Simply Green Leasing Group are in default under the applicable Warehouse Loan Agreements.

32. As at September 30, 2023, PTC is owed \$32,859,800.00 under the Warehouse Loan Agreements and \$6,877,620.00 under the Debenture.

Concurrent Lease Agreements

33. PTC and various entities within the Simply Green Leasing Group have also entered into Concurrent Leases, pursuant to which PTC is the concurrent lessee, and the applicable Company is the lessor and servicer. The Concurrent Lease Agreements currently in effect are described in the below chart:

Concurrent Lessor and Servicer		Title and Date of Agreement	Exhibit to this Affidavit
1	CCFC	Fourth Amended and Restated Concurrent Lease dated June 30, 2021	Exhibit "G"
2	CC Trustee in its capacity as trustee of CC Trust	Concurrent Lease Agreement dated May 29, 2019	Exhibit "H"
3	New Simply Green	Second Amended and Restated Concurrent Lease dated November 1, 2021	Exhibit "I"
4	CC Trustee in its capacity as trustee of CC Trust	Second Amended and Restated Concurrent Lease Agreement dated April 15, 2019	Exhibit "J"
5	CC Trustee in its capacity as trustee of CC Trust	Third Amended and Restated Concurrent Lease Agreement dated April 15, 2019	Exhibit "K"

34. As a general matter, the Concurrent Lease Agreements provide for the lease of the interest of relevant members of the Simply Green Leasing Group in originated customer rental agreements, and the equipment and services to which they relate, to PTC in return for a payment by PTC of a calculated amount of prepaid rent. Prepaid rent paid by PTC under the Concurrent Leases represents a percentage of the payments to be made on the underlying customer rental agreements during the term of the Concurrent Lease, discounted to present value at a prescribed rate.

35. The effect of these concurrent lease transactions is generally to provide the totality of the

beneficial interest in the originated customer rental agreements to PTC during a specified term. Over the term of these Concurrent Leases, collections from originated customer rental agreements are received into collection accounts held by relevant members of the Simply Green Leasing Group and remitted to PTC on a monthly basis. These collection accounts are subject to blocked account agreements in favour of PTC.

36. Collections and management of cash flows from the originated customer rental agreements are administered by the relevant member of the Simply Green Leasing Group, subject to such sub-servicing agreements as may be in place. In addition, subject to such sub-servicing agreements as may be in place, technical servicing of equipment provided under customer rental agreements is managed by members of the Simply Green Leasing Group. Upon certain prescribed events of default, PTC has the right to designate a replacement servicer.

37. The Concurrent Lease Agreements also provide for security over the interests of relevant Simply Green Leasing Group members in the customer rental agreements and related rights, in addition to the property interests in favour of PTC established by the Concurrent Leases.

38. Under the terms of the Concurrent Lease Agreements, PTC may elect to pay further prepaid rent at the end of a Concurrent Lease, thereby extending additional financing of the relevant customer rental agreement during its continuing term. Under the Concurrent Lease Agreements these further advances of prepaid rent by PTC are referred to as Additional Term Prepaid Rent (“ATPR”). ATPR is not an investment in a Simply Green Leasing Group corporate entity but a further advance on customer rental agreement assets.

39. The structure established under the Concurrent Lease Agreements is effectively a species of a

securitization transaction.

40. In addition to other events of default under the Concurrent Lease Agreements, including insolvency defaults, the said agreements provide for cross default to certain of the Warehouse Loan Agreements, which as noted above, are in default. Notwithstanding these defaults, PTC has not elected to designate replacement servicers at present.

41. As at September 30, 2023, PTC's exposure under all Concurrent Lease Agreements totals \$279,665,155.00.

Security Held by PTC

42. In connection with the Loan Agreements and the Concurrent Leases, PTC has been granted general security agreements from each of CCFC, New Simply Green, Old Simply Green, CC Management Co., Trustee Co and CC Trust pursuant to which PTC obtained a first ranking general security interest in all of the personal property, assets, and undertakings of the applicable grantor, as security for all indebtedness, liability and obligations of that grantor to PTC, including, without limitation, guarantee obligations and future indebtedness. True copies of the GSAs are attached as the exhibits identified below:

- (a) GSA from CCFC dated January 19, 2018 – [Exhibit “L”](#);
- (b) GSA from New Simply Green dated April 21, 2021 – [Exhibit “M”](#);
- (c) GSA from Old Simply Green dated January 19, 2018 – [Exhibit “N”](#);
- (d) GSA from CC Management Co dated December 1, 2016 – [Exhibit “O”](#); and

- (e) GSA from Trustee Co in its own capacity and its capacity as trustee of CC Trust dated December 1, 2016 – **Exhibit “P”**.

43. I note that in addition to the GSAs, under each of the Concurrent Leases, PTC has been granted a security interest in the underlying rented assets, including without limitation all amounts owed to or received by the applicable lessor, and all of the lessor's right, title and interest, in and to all collections in respect of the remaining term of the rental agreements.

Guarantees Granted to PTC

44. In connection with the Loan Agreements, PTC has been granted certain guarantees of existing credit facilities by non-borrower entities within the Simply Green Leasing Group. These guarantees are identified below (true copies of which are attached as the corresponding exhibits listed below):

- (a) A Guarantee granted by 277 (now Marble Amalco Inc.) dated April 21, 2021 of the obligations, liability and indebtedness of New Simply Green under Warehouse 5 – **Exhibit “Q”** (the “**Warehouse 5 Guarantee**”);
- (b) A Guarantee from CC Management Co dated December 1, 2016 of the obligations, liability and indebtedness of CC Trust under Warehouse 1 – **Exhibit “R”**;
- (c) A Guarantee from CC Management Co dated May 29, 2019 of the obligations, liability and indebtedness of CC Trust under Warehouse 4 – **Exhibit “S”**; and,
- (d) A Guarantee granted by CCFC dated January 19, 2018 of the obligations, liability and indebtedness of Old Simply Green under Debenture 1 – **Exhibit “T”**.

45. In addition to the more traditional financing/payment guarantees described above, 277 (now **73165422.2**

Marble Amalco Inc.) granted a guarantee to PTC under the terms of the Sub-Servicing Agreement, guaranteeing the performance and fulfilment of the Sub-Servicing Obligations by New Simply Green and indemnifying PTC from any loss, damage, suit, cost or other proceeding arising from the failure of New Simply Green to perform its obligations under that agreement. A true copy of the Sub-Servicing Agreement is attached as **Exhibit “U”**.

Other Secured Creditors

46. PTC has registered its security interests against the members of the Simply Green Leasing Group across Canada.

47. The Simply Green Leasing Group has a limited number of other creditors with registered financing statements in the applicable personal property security registries. These creditors are as follows:

- (a) Jim Peplinski Leasing Inc. (the “**Peplinski Registrations**”);
- (b) The Toronto-Dominion Bank (the “**TD Registration**”);
- (c) Ford Credit Canada Leasing, Division Of Canadian Road Leasing Company (the “**Ford Registration**”);
- (d) Shabnam Raheema Morin and Edward Dustin Morin (the “**Morin Registration**”); and
- (e) Greypoint Capital Inc. (the “**Greypoint Registration**”).

48. A summary of PPSA searches recently obtained against the Simply Green Leasing Group and current as of the date indicated therein, is attached hereto as **Exhibit “V”** (the “**PPSA Summary**”).

49. I have been advised by Clifton Prophet a partner at Gowling WLG (Canada) LLP, counsel to the **73165422.2**

Applicant that:

- (a) the Peplinski Registrations appear to relate to the leasing and/or financing of motor vehicles;
- (b) the TD Registration appears to relate to operating bank accounts maintained with Toronto-Dominion Bank and not credit facilities;
- (c) the Ford Registration appears to relate to the leasing and/or financing of motor vehicles for use in the business; and
- (d) The Morin Registration appears to relate to a writ of enforcement in the amount of \$3,500 registered under the PPSA in Alberta.

50. In respect of the Greypoint Registration, which is against Old Simply Green, my understanding is that Greypoint Capital Inc. previously provided financing to Old Simply Green by way of a warehouse loan agreement (the “**Greypoint Warehouse**”). Based on the notes to 2022 Audited Financial Statements (as defined below), the Greypoint Warehouse Agreement was repaid in full on January 26, 2022.

Unsecured/Other Creditors

51. Based on information provided by KPMG LLP in its capacity as financial advisor¹ to PTC, it appears that wages for employees of the Simply Green Leasing Group and source deductions were current to the last remittance date.

¹ KPMG LLP, an affiliate of the Proposed Monitor KPMG Inc., was appointed as financial advisor to PTC on or about August 8, 2023, with the consent of the Companies.

52. I am aware that senior management has stated that there are inter-company amounts owing by Old Simply Green to New Simply Green based on services provided by New Simply Green but I am unaware of the particulars of these claimed amounts in detail or their exact nature. I have no information concerning amounts which may be claimed by the shareholder of New Simply Green.

Litigation

53. I understand that members of the Simply Green Leasing Group are currently subject to certain litigation. The material litigation that I am aware of is described below in paragraphs 54 through 56.

Bonnick Class Action

54. All of the Companies' are subject to a claim commenced under the *Class Proceedings Act, 1992*, by Alga Adina Bonnick and Goran Stoilov Donev (the "**Bonnick Action**"). In the Bonnick Action, the class plaintiffs allege, among other things, that consumer agreements entered into by the defendants in that Action, breached the *Consumer Protection Act* (Ontario) (the "**CPA**") by (a) failing to set out material information required to be disclosed under the CPA; and (b) failing to deliver a disclosure statement compliant with the CPA. They further allege that the applicable Companies "slandered" the title to consumers' houses by registering "notices of security interests" against the underlying lands.

55. The Plaintiffs in the Bonnick Action, are seeking, among other things, (a) rescission, cancellation and or a declaration that the agreements entered into with class members are unenforceable, (b) general damages for all payments the class members made to the defendants, (c) punitive and exemplary damages in the amount of \$5,000,000, (d) and relief from amounts that the defendants claim are owed or owing by the class members. I understand that a certification hearing in respect of the Bonnick Action is

currently scheduled for October 2024. A true copy of the Amended Fresh as Amended Statement of Claim issued by Ms. Bonnick and Mr. Donev is attached as [Exhibit “W”](#).

MNP Claim

56. Old Simply Green and Trustee Co in its capacity as trustee of the CC Trust are defendants in litigation commenced by MNP Corporate Finance Inc. (“MNP”), pursuant to which MNP, is seeking, among other things, damages in the amount of \$12,000,000 for breach of contract in relation to the prior engagement of MNP to assist with a capital raise (the “**MNP Claim**”). I am advised by Clifton Prophet of Gowling that the MNP Claim was heard by the Ontario Superior Court of Justice, sitting in Toronto, between September 18 and 29, 2023. To my knowledge, no decision has been released on the MNP Claim litigation as of the date of this affidavit.

Banking Arrangements

57. I am not aware of the full extent of the Simply Green Leasing Group’s current banking arrangements. I am aware that the Simply Green Leasing Group maintains certain operating accounts with Toronto-Dominion Bank.

Financial Statements

The Old Simply Green FS Entities:

58. The most recent audited financial statements in PTC’s possession for the Simply Green Leasing Group are consolidated financial statements for Old Simply Green for the fifteen-month period ending December 31, 2022 (the “**2022 Audited Financial Statements**”). The 2022 Audited Financial Statements, as consolidated financial statements, cover, among other entities, each of the Companies

other than New Simply Green (the Companies included in the Audited Financial Statements, the “**Old Simply Green FS Entities**”).

59. According to the 2022 Audited Financial Statements, as at December 31, 2022 the Old Simply Green FS Entities had total consolidated assets with a net book value of approximately \$256,381,975. The majority of these consolidated assets are comprised of “finance receivables” which I understand to be the net book value of rental payments owing to the Old Simply Green FS Entities in the amount of \$224,914,260.

60. The 2022 Audited Financial Statements further provide that as of December 31, 2022, the Old Simply Green FS Entities had total liabilities in the amount of \$312,293,996, including secured debt in the amount of \$255,768,251 and accounts payable in the amount of \$12,964,867. Attached hereto and marked as **Exhibit “X”** are copies of the 2022 Audited Financial Statements.

New Simply Green Financial Statements

61. As noted above, the 2022 Audited Financial Statements do not include New Simply Green.

62. PTC has been periodically provided unaudited financial statements for New Simply Green. The most recent unaudited financial statements in PTC’s possession for New Simply Green are for the quarterly period ending March 31, 2023 (the “**New Simply Green March 2023 FS**”). The New Simply Green March 2023 FS, indicate assets in the amount of \$61,249,533 (made up primarily of “finance receivables” in the amount of \$55,581,278) and liabilities of \$90,889,955 (including secured borrowings of \$55,416,123), with such mismatch of assets and liabilities traditionally stemming from the structure of the Concurrent Lease Agreements. Attached hereto and marked as **Exhibit “Y”** are copies of the New

Simply Green March 2023 FS and unaudited financial statements for New Simply Green for the year ending December 31, 2022.

III. FINANCIAL DIFFICULTIES OF THE SIMPLY GREEN LEASING GROUP

63. At or around July of 2023, senior management of the Simply Green Leasing Group advised PTC, that it was facing significant near-term liquidity challenges resulting from contractual interest rate increases, resulting in an approximate loss of \$300,000 a month without taking into account the payment of operating expenses, based on, among other things, its debt service requirements and other variable costs that are rising as a result of inflation. Senior Management of the Simply Green Leasing Group further advised PTC that it was projecting a significant net cash flow shortfall over the period ending December 31, 2026 that could not be covered by its existing resources and that in order to manage its liquidity it required a significant restructuring of its debt obligations. At present Simply Green Leasing Group has no other source of financing to meet these shortfalls.

64. Given current leverage levels and the potential implications of the Bonnick Action, senior management also told PTC that, at this time, they did not believe a near term sale of its portfolio would be viable.

65. As I understand it from my discussions with senior management of the Simply Green Leasing Group, the Companies' financial distress has come about as a result of factors which include the fixed streams of income flowing from their equipment lease portfolios vs. the variable rates applicable to their debt under the PTC Loan Agreements and their obligations under the Concurrent Lease Agreements; the lack of active interest in the current financial markets for asset classes such as theirs; and, the effects of significant inflationary pressures on the operating costs of the business.

66. After extensive discussions among PTC, the Companies and their senior management, the Proposed Monitor, and advisors, all parties determined that it was in the best interests of stakeholders to seek CCAA protection for the Simply Green Leasing Group on the terms of the Initial Order included in PTC's application materials, for the reasons detailed below. Since reaching this conclusion, the parties have worked cooperatively to finalize arrangements for these proceedings.

IV. CCAA PROCEEDINGS

Debtor-In-Possession/Creditor Initiated

67. PTC has brought these proceedings in the form of a creditor-initiated CCAA application based in significant part on the specifics of the Simply Green Leasing Group business and with the support of Simply Green Leasing Group management. In order to preserve value for PTC and other stakeholders, continuity of the entities which are the counterparty on approximately 80,000 consumer home equipment leases is essential. In these circumstances, I am concerned that the disruption caused by other structures for the recovery of amounts outstanding would affect performance of the equipment lease portfolios. As well, the stability of existing contracts with suppliers and service providers and of banking arrangements will be significantly enhanced by permitting continuity of the existing corporate entities through these proceedings.

68. It is also important to the thousands of rental customers using Simply Green Leasing Group home improvement equipment in their homes that the Companies and their business are preserved, in order to ensure that continued repair and servicing of furnaces and water heaters will be available as winter approaches. The protections afforded by the CCAA relief being sought, including the stay of proceedings and the funding to be made available under the DIP Facility described below (if approved by this Court),

should facilitate the delivery of needed technical services and provide a measure of certainty to customers.

69. I am specifically concerned that approaches to the financial distress of the Simply Green Leasing Group that are alternatives to the contemplated CCAA proceedings, such as the appointment of a receiver over the PTC collateral and rental assets, could have significant negative effects. These effects could include impairment of the streams of payment from the rental customers that represent substantially all of the value of the Simply Green Leasing Group business, as well as customer cancellations. I am concerned that the introduction of a receiver and manager as the counterparty to the rental agreements, and customer perceptions of receivership in general, could have a very detrimental effect on portfolio value. These and other reasons have caused PTC to apply for CCAA protection for the Simply Green Leasing Group with the support of its management.

Stay of Proceedings

70. PTC seeks a stay in respect of the Companies in order to allow it time to develop a plan for restructuring its finances and/or its business. As well, a stay of proceedings, which prevents contract counterparties from interrupting their services, will ensure that losses on the portfolio are minimized and that the cash flows are protected.

71. The granting of the requested CCAA relief, including the stay of proceedings, will also allow the Proposed Monitor and the Proposed CRO to work with Simply Green Leasing Group employees to ensure the stable operation of the business and to preserve the asset base.

72. As set out in more detail below, in addition to extending the stay and increasing the DIP Lending Facility and relevant court-ordered charges, PTC intends to use the initial 10-day stay period to work

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with the Proposed Monitor and the Proposed CRO to achieve an efficient transition of control over the business to the CRO, under the Monitor's oversight, which will include the assistance of the Simply Green Leasing Group's management team. Ultimately, PTC intends to explore all options for maximizing value from the Simply Green Leasing Group's business and equipment lease portfolio. These options could include a variety of marketing and sale approaches, attempts to refinance, and longer-term solutions aimed at maximizing cash flow from the rental portfolio within the existing corporate structures. PTC will work on these issues with the Proposed Monitor and the Proposed CRO and with existing Simply Green Leasing Group employees.

Appointment of Monitor

73. PTC is seeking the appointment of KPMG Inc. ("KPMG") to serve as the CCAA Monitor in these proceedings (in such capacity, the "**Proposed Monitor**"). A copy of the consent of KPMG to act as Monitor is attached as [**Exhibit "Z"**](#).

74. I have been advised by Pritesh Patel of KPMG, that KPMG is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* and is not subject to any of the restrictions set out in Section 11.7(2) of the CCAA.

75. An affiliate of KPMG previously served as financial advisor to PTC in connection with the Simply Green Leasing Group (with the consent of the Simply Green Leasing Group, which consent includes a waiver of any claim of conflict in the event of KPMG's appointment as a monitor or other court officer).

76. I believe that KPMG's familiarity with the Simply Green Leasing Group's financial records and general business model, will create cost efficiencies during the course of the proposed CCAA proceedings that will be beneficial to all of the Simply Green Leasing Group's stakeholders.

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77. The proposed Initial Order being sought by PTC would require the consent of the Proposed Monitor in respect of all disbursements except governmental priority payables arising or requiring to be remitted after the date of the Initial Order. These powers are necessary in my view as a measure to preserve cash and to ensure that critical payables are met during the period of the initial stay.

78. In connection with KPMG's proposed appointment, a pre-filing report of the Proposed Monitor has been prepared (the "**Proposed Monitor's Report**") and I have had the opportunity to review it. Among other things, the Proposed Pre-Filing Report appends the Cash Flow (defined below) and sets out the methods and assumptions adopted in its preparation.

Appointment of CRO

79. As noted, PTC also seeks relief relating the engagement of HWG Consulting Inc., acting through Joe Prosperi and others, as chief restructuring officer of the Simply Green Leasing Group (the "**CRO**"). The Companies have engaged the CRO, with the approval of PTC, under the terms of an agreement to be entered into in advance of the Application for CCAA relief in respect of the Companies, a copy of which is attached hereto as [**Exhibit "AA"**](#) (the "**CRO Engagement**"), with the rates of compensation redacted.

80. Since the directors and officers of the Simply Green Leasing Group have resigned (although senior management of the Companies is cooperating with PTC and has agreed to continue to support the business as consultants through a transition period, on terms agreed with PTC and the Proposed CRO) the CRO Engagement will vest significantly all of the powers of management in the CRO. The proposed CRO powers include the ability to exercise consents and discretions provided under the Initial Order.

81. The CRO Engagement also provides that it may be terminated and the CRO may resign or be

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terminated on 10 days written notice by the CRO or the Monitor, as applicable. In the unlikely event of this occurring, PTC anticipates that it would seek the relief from the Court to expand the powers of the Monitor to provide for the continued stewardship of the Companies and their business.

82. It is proposed that the CRO retain independent counsel for the purposes of its role and that the CRO will be at liberty to cause the Respondents to retain other advisors as needed, in the exercise of the management powers conferred.

83. The principal of the proposed CRO, Mr. Prosperi, has significant expertise in managing complex and significant value restructurings. I understand based on my discussions with Mr. Prosperi and others who know his work that he has particular expertise both in managing teams of employees during operating restructurings and in executing on sophisticated sale and investment processes. As indicated by his biography, a copy of which is attached as **Exhibit “BB”** to this affidavit, he has many years of experience in the corporate finance field and in private equity roles.

84. I understand that the Proposed Monitor is satisfied with the qualifications, expertise and experience of the CRO and supports the retention of HWG Consulting Inc. as CRO on the terms of the CRO Engagement and the relief related to the engagement provided for in the proposed Initial Order.

DIP Facility

85. In light of the Simply Green Leasing Group’s liquidity issues, the Simply Green Leasing Group requires interim financing to sustain its operations, including the payment of professional fees, during these CCAA proceedings.

86. Under a DIP term sheet to be entered into by the CRO, on behalf of the Companies, subject to this Court's prior approval in the Initial Order (the "**DIP Term Sheet**"), PTC has agreed to establish an interim financing facility (the "**DIP Facility**") in the maximum principal amount of \$15,000,000.00 for use during these CCAA proceedings. A copy of the DIP Term Sheet is attached hereto as **Exhibit "CC"**.

87. During the initial ten (10) day stay period, availability under the DIP Facility will be limited to an initial advance in the principal amount of up to \$1,100,000.00, which is the amount reasonably necessary for the continued operations of the Simply Green Leasing Group until the Comeback Hearing.

88. The DIP Term Sheet contains among other things, the following terms:

- (a) **Borrowers**: each entity within the Simply Green Leasing Group.
- (b) **Principal Amount of DIP**: \$1,100,000.00 (the "**Initial Maximum Amount**"), and, subject to the satisfaction of certain conditions precedent, an aggregate maximum amount of \$15,000,000.00 (the "**Maximum Amount**").
- (c) **Court Orders**: All advances under the DIP Facility are subject to the condition precedent that an Initial Order be made and in full force and effect, in form and content substantially similar to the draft order included in PTC's application and otherwise acceptable to PTC, including the appointment of KPMG as Monitor and the appointment of the CRO. Advances in excess of the Initial Maximum Amount are subject to the condition precedent that an amended and restated initial order has been granted by the Court in a form acceptable to PTC.
- (d) **Closing Fees**: (1%) of the Maximum Amount.

- (e) Use of Proceeds: (i) to fund the Borrowers' operating expenses and general corporate and working capital requirements during the CCAA proceedings, (ii) to fund the administrative expenses of the CCAA proceedings; (iii) to make payments expressly permitted under the DIP Term Sheet, including payments to PTC under the terms of the Warehouse Loans, the Debenture and the Concurrent Lease Agreements; and (iv) to pay costs, expenses, interest and other obligations owing under the DIP Facility; each in accordance with an approved cash flow forecast from time to time in effect.
- (f) Payment of Interest and Concurrent Lease Agreement Remittances – The DIP Term Sheet requires that interest on the Warehouse Loans and the Debenture be paid during the CCAA proceedings and that remittances of amounts required to be paid under the Concurrent Lease Agreements continue, although the latter will be deferred for the period from the date of the Initial Order until the Comeback Hearing.
- (g) Interest: an annual rate equal to 9.5% per annum.
- (h) DIP Charge: the DIP Facility requires a super-priority ranking charge (the “**DIP Lender’s Charge**”) against all of the current and future assets, undertakings and property of the Simply Green Leasing Group.

89. I understand that the Proposed Monitor is of the view that the terms of the DIP Term Sheet are reasonable and that the Initial Maximum Amount is reasonably necessary to maintain the operations and business of the Simply Green Leasing Group pending the Comeback Hearing.

Cash Flow Forecast

90. The Proposed Monitor, in consultation with PTC and using the information obtained from the Companies, has prepared a 13-week cash flow forecast (the “**Cash Flow Forecast**”).

91. To the best of my understanding the hypothetical assumptions set out in the Proposed Monitor’s Report in relation to the Cash Flow Forecast are reasonable and consistent with the purpose of the Cash Flow Forecast and the probable assumptions are not inconsistent with the plans concerning the Simply Green Leasing Group and provide a basis for the projections that is not unreasonable. I note that since this is a creditor-initiated CCAA proceeding, my understanding of the reasonability of the Cash Flow Forecast assumptions and their consistency with the plans concerning the Simply Green Leasing Group is necessarily limited by the fact that I do not have the information about the Companies that I would have if I were one of their officers or senior management employees. In this regard, I have also relied on the fact that the Cash Flow Forecast has been developed by KPMG, which has significant expertise in these matters.

92. I note that the Cash Flow Forecast contemplates payment of interest on the Warehouse Loans and the Debenture and the payment of all amounts to be remitted under the Concurrent Leases but defers payment of the latter until after the date of and subject to the Comeback Hearing. Principal payments on the Warehouse Loans and the Debenture are not contemplated in the Cash Flow Forecast. PTC is making the forgoing accommodations to minimize the cash pressure on the Companies.

Charges

Administration Charge

93. It is contemplated under the form of Initial Order being sought that the Proposed Monitor, along with its counsel, and counsel to PTC will be granted a Court-ordered charge in the amount of \$250,000

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(the “**Administration Charge**”) during the initial ten (10) day stay period, as security for their fees and disbursements incurred at their standard rates and charges.

94. I believe that the amount of the proposed Administration Charge is the amount reasonably necessary for the initial ten (10) day stay period to ensure the continued participation of the proposed beneficiaries of the Administration Charge, whose expertise, knowledge and assistance will be critical to the success of these CCAA proceedings.

95. I understand the Proposed Monitor supports the quantum of the proposed Administration Charge, which I believe is fair and reasonable in the circumstances.

96. I do not believe that there is any unwarranted duplication of roles between the proposed beneficiaries of the Administration Charge.

97. PTC intends to seek an increase in the maximum amount of the Administration Charge at the Comeback Hearing.

DIP Lender's Charge

98. The DIP Facility is conditional upon an order of this Court, among other things, approving the amount and priority of the DIP Lender's Charge.

99. As outlined above, during the initial ten (10) day stay period availability under the DIP Facility will be limited to the Initial Maximum Amount. The form of Initial Order being sought by the Applicants contemplates a DIP Charge in this amount.

100. I am of the belief that the amount of the proposed DIP Lender's Charge is reasonably necessary for the initial ten (10) day stay period and is supported by the Cash Flow Forecast prepared with the **73165422.2**

assistance and review of the Proposed Monitor.

101. At the Comeback Hearing, PTC intend to seek an increase in the amount of the DIP Lenders' Charge.

Priorities of Charges

102. It is contemplated by PTC that the Charges will be against all of the Simply Green Leasing Group's group current and future assets, undertakings and property, and will have the following priorities as between them:

- (a) First – the Administration Charge; and
- (b) Second – the DIP Lenders' Charge;

Comeback Hearing

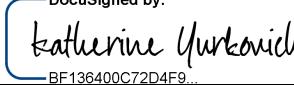
103. As noted above, should this Honourable Court grant the initial order sought by PTC, at the Comeback Hearing PTC intends to seek an extension of the stay or proceedings, and increases to the DIP Lender's Charge and the Administration Charge.

V. CONCLUSION

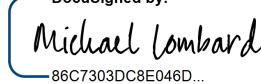
104. Simply Green Leasing Group is insolvent and requires immediate support to maintain the viability of its business. PTC is the senior creditor and has a proprietary interest in a significant part of the Companies' asset portfolio of customer rental agreements. PTC has security interests over all assets. PTC's position is in jeopardy and it has arrived at a consensual arrangement with the Companies to enter into CCAA protection. This relief is needed to ensure the stability of the broad-based assets that make up the business and to ensure continuity of the cash flows which are critical to PTC's position. To the extent that the Simply Green Leasing Group can be maintained while the Proposed Monitor and Proposed CRO work with PTC to develop restructuring options, all stakeholders will benefit.

SWORN BEFORE ME over videoconference on this 6th day of November, 2023. The affiant was located in the City of Toronto, in the Province of Ontario and the Commissioner was located in the city of Toronto, in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:


Michael Lombard

DocuSigned by:


Michael Lombard

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MICHAEL LOMBARD

A Commissioner for taking Affidavits

**This is Exhibit “A”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:


katherine Yurkovich

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A commissioner for taking affidavits



Ministry of Public and
Business Service Delivery

Profile Report

CROWN CREST FINANCIAL CORP. as of October 26, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CROWN CREST FINANCIAL CORP.
Ontario Corporation Number (OCN)	2577298
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 15, 2017
Registered or Head Office Address	2225 Sheppard Avenue East, Toronto, Ontario, Canada, M2J 5C2

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
Maximum Number of Directors

1

10

Name

LAWRENCE KRIMKER

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2

Resident Canadian

Yes

Date Began

July 01, 2017

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

V. Quintarilla 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 LAWRENCE KRIMKER
Position President
Address for Service 2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2
Date Began July 01, 2017

Name LAWRENCE KRIMKER
Position Secretary
Address for Service 2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2
Date Began July 01, 2017

Name LAWRENCE KRIMKER
Position Treasurer
Address for Service 2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2
Date Began July 01, 2017

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

V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name	CROWN CREST FINANCIAL CORP.
Effective Date	July 18, 2017
Previous Name	2577298 ONTARIO INC.
Effective Date	May 15, 2017

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

V. Quintanilla W.

Director/Registrar

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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

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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

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Document List

Filing Name	Effective Date
Annual Return - 2022 PAF: LAWRENCE KRIMKER	July 19, 2023
Annual Return - 2020 PAF: LAWRENCE KRIMKER - DIRECTOR	February 07, 2021
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	April 08, 2020
Annual Return - 2019 PAF: LAWRENCE KRIMKER - DIRECTOR	February 09, 2020
CIA - Notice of Change PAF: LAWRENCE KRIMKER - OFFICER	October 25, 2019
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	June 23, 2019
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	May 12, 2019
Annual Return - 2017 PAF: LAWRENCE KRIMKER - DIRECTOR	December 23, 2018
BCA - Articles of Amendment	July 18, 2017
CIA - Initial Return PAF: KONSTANTIN STAROSTIN - OTHER	July 13, 2017
BCA - Articles of Incorporation	May 15, 2017

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

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Ministry of Public and
Business Service Delivery

Profile Report

MARBLE AMALCO INC. as of October 26, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MARBLE AMALCO INC.
Ontario Corporation Number (OCN)	1000567829
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	June 14, 2023
Registered or Head Office Address	2225 Sheppard Avenue East, Suite 800, North York, Ontario, Canada, M2J 5C2

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors
Maximum Number of Directors

1

10

Name

LAWRENCE KRIMKER

Address for Service

2225 Sheppard Avenue East, Suite 800, North York, Ontario,
Canada, M2J 5C2

Resident Canadian

Yes

Date Began

June 14, 2023

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

V. Quintarilla W.

Director/Registrar

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Active Officer(s)

Name LAWRENCE KRIMKER
Position President
Address for Service 2225 Sheppard Avenue East, Suite 800, North York, Ontario,
Canada, M2J 5C2
Date Began June 14, 2023

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

V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name MARBLE AMALCO INC.
Effective Date June 14, 2023

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

V. Quintanilla W.

Director/Registrar

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Amalgamating Corporations

Corporation Name
Ontario Corporation Number

2775996 ONTARIO INC.
2775996

Corporation Name
Ontario Corporation Number

SIMPLY GROUP ACQUISITION CORP.
2775152

Corporation Name
Ontario Corporation Number

DEALNET CAPITAL CORP.
942684

Corporation Name
Ontario Corporation Number

ONE DEALER INC.
2324768

Corporation Name
Ontario Corporation Number

ECOHOME FINANCIAL INC.
2255986

Corporation Name
Ontario Corporation Number

ONE DEALER FINANCIAL SERVICES INC.
2359411

Corporation Name
Ontario Corporation Number

ONE DEALER HOME SERVICES INC.
2354065

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

V. Quintarilla W.

Director/Registrar

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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

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Expired or Cancelled Business Names

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

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Initial Return PAF: KRISTIN KIGHTLEY	June 15, 2023
BCA - Articles of Amalgamation	June 14, 2023

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V. Quintanilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

SIMPLY GREEN HOME SERVICES INC. as of October 26, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SIMPLY GREEN HOME SERVICES INC.
Ontario Corporation Number (OCN)	2775153
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 01, 2020
Registered or Head Office Address	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors
Maximum Number of Directors

1
10

Name

GEOFFREY BELSHER

Address for Service

55 Douglas Drive, Toronto, Ontario, Canada, M4W 2B2

Resident Canadian

Yes

Date Began

October 13, 2020

Name

JAMES DUNBAR

Address for Service

37 Bellefair Avenue, Toronto, Ontario, Canada, M4L 3T7

Resident Canadian

Yes

Date Began

October 13, 2020

Name

IGOR GIMELSHTEIN

Address for Service

61 Hillholm Road, Toronto, Ontario, Canada, M5P 1M4

Resident Canadian

Yes

Date Began

October 13, 2020

Name

LAWRENCE KRIMKER

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario,

Canada, M2J 5C2

Resident Canadian

Yes

Date Began

September 01, 2020

Name

HIN KING TAI

Address for Service

16 38th Drive, 234, Douglaston, New York, United States,

11363

Resident Canadian

No

Date Began

October 13, 2020

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	LAWRENCE KRIMKER
Position	President
Address for Service	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2
Date Began	September 04, 2020

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

V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name	SIMPLY GREEN HOME SERVICES INC.
Effective Date	October 09, 2020
Previous Name	2775153 ONTARIO INC.
Effective Date	September 01, 2020

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V. Quintanilla W.

Director/Registrar

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Active Business Names

Name	SNAP HOME RNC
Business Identification Number (BIN)	310516612
Registration Date	March 29, 2021
Expiry Date	March 28, 2026
Name	ECOHOME RNC
Business Identification Number (BIN)	310516216
Registration Date	March 29, 2021
Expiry Date	March 28, 2026

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

V. Quintarilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	October 23, 2020
BCA - Articles of Amendment	October 09, 2020
CIA - Initial Return PAF: LAWRENCE KRIMKER - DIRECTOR	September 25, 2020
BCA - Articles of Incorporation	September 01, 2020

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Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

SIMPLY GREEN HOME SERVICES CORP. as of October 26, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	SIMPLY GREEN HOME SERVICES CORP.
Ontario Corporation Number (OCN)	2381036
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 17, 2013
Registered or Head Office Address	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors
Maximum Number of Directors

1

10

Name

LAWRENCE KRIMKER

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M5J 5C2

Resident Canadian

Yes

Date Began

July 17, 2013

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

V. Quintarilla W.

Director/Registrar

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Active Officer(s)

Name	LAWRENCE KRIMKER
Position	President
Address for Service	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M5J 5C2
Date Began	July 17, 2013

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

V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name	SIMPLY GREEN HOME SERVICES CORP.
Effective Date	October 09, 2020
Previous Name	SIMPLY GREEN HOME SERVICES INC.
Effective Date	July 17, 2013

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

V. Quintarilla W.

Director/Registrar

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Active Business Names

Name	SIMPLYLED LIGHTING SOLUTIONS
Business Identification Number (BIN)	241011410
Registration Date	October 20, 2014
Expiry Date	October 18, 2024
Name	SIMPLY GREEN LIGHTING SOLUTIONS
Business Identification Number (BIN)	240948760
Registration Date	September 30, 2014
Expiry Date	September 28, 2024
Name	SIMPLY GREEN HOME SERVICES
Business Identification Number (BIN)	250904331
Registration Date	September 15, 2015
Expiry Date	September 13, 2025
Name	SANDPIPER ENERGY SOLUTIONS HOME COMFORT
Business Identification Number (BIN)	270095631
Registration Date	January 25, 2017
Expiry Date	January 23, 2027
Name	SANDPIPER ENERGY SOLUTIONS
Business Identification Number (BIN)	270095615
Registration Date	January 25, 2017
Expiry Date	January 23, 2027
Name	SIMPLY GREEN COMMERCIAL SERVICES
Business Identification Number (BIN)	240945923
Registration Date	September 30, 2014
Expiry Date	September 28, 2024

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

V. Quintanilla W.

Director/Registrar

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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

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	April 30, 2021
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	October 23, 2020
BCA - Articles of Amendment	October 09, 2020
Annual Return - 2019 PAF: LAWRENCE KRIMKER - DIRECTOR	June 14, 2020
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	April 08, 2020
BCA - Articles of Amendment	March 11, 2020
CIA - Notice of Change PAF: OSCAR STRAWCZYNSKI - OTHER	February 26, 2020
CIA - Notice of Change PAF: LAWRENCE KRIMKER - DIRECTOR	July 19, 2019
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	June 23, 2019
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	April 28, 2019
BCA - Articles of Amendment	December 07, 2018
Annual Return - 2017 PAF: LAWRENCE KRIMKER - DIRECTOR	September 02, 2018
CIA - Notice of Change PAF: MONIQUE JACOB - OTHER	June 20, 2018
Annual Return - 2016 PAF: LAWRENCE KRIMKER - DIRECTOR	March 13, 2018

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

V. Quintanilla W.

Director/Registrar

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CIA - Notice of Change PAF: ROISIN HUTCHINSON - OTHER	December 15, 2016
CIA - Notice of Change PAF: ROISIN HUTCHINSON - OTHER	October 05, 2016
Annual Return - 2015 PAF: LAWRENCE KRIMKER - DIRECTOR	June 26, 2016
CIA - Notice of Change PAF: ALFRED APPS - OTHER	September 15, 2015
Annual Return - 2014 PAF: LAWRENCE KRIMKER - DIRECTOR	July 04, 2015
Annual Return - 2013 PAF: LAWRENCE KRIMKER - DIRECTOR	July 04, 2015
CIA - Notice of Change PAF: MACK HOSSEINIAN - OTHER	April 30, 2014
CIA - Initial Return PAF: MACK HOSSEINIAN - OTHER	July 30, 2013
BCA - Articles of Incorporation	July 17, 2013

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

V. Quintarilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

CROWN CREST CAPITAL MANAGEMENT CORP. as of October 27, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CROWN CREST CAPITAL MANAGEMENT CORP.
Ontario Corporation Number (OCN)	2530550
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	August 03, 2016
Registered or Head Office Address	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors
Maximum Number of Directors

1

10

Name

WILLIAM ALFRED APPS

Address for Service

10 Morrison Street, 907, Toronto, Ontario, Canada, M5V 2T8

Resident Canadian

Yes

Date Began

December 01, 2016

Name

DWIGHT DUNCAN

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

Resident Canadian

Yes

Date Began

December 01, 2016

Name

LAWRENCE KRIMKER

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

Resident Canadian

No

Date Began

May 30, 2021

Name

SAMSON LIM

Address for Service

2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

Resident Canadian

Yes

Date Began

December 01, 2016

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Active Officer(s)

Name	LAWRENCE KRIMKER
Position	President
Address for Service	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2
Date Began	August 03, 2016

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V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name

CROWN CREST CAPITAL MANAGEMENT CORP.

Effective Date

August 03, 2016

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V. Quintarilla W.

Director/Registrar

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Active Business Names

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

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LAWRENCE KRIMKER	April 13, 2023
Annual Return - 2022 PAF: LAWRENCE KRIMKER	March 14, 2023
Annual Return - 2021 PAF: LAWRENCE KRIMKER	March 14, 2023
Annual Return - 2020 PAF: LAWRENCE KRIMKER	March 14, 2023
CIA - Notice of Change PAF: Lawrence KRIMKER	February 02, 2022
Annual Return - 2019 PAF: LAWRENCE KRIMKER - DIRECTOR	June 14, 2020
CIA - Notice of Change PAF: WILLIAM ALFRED APPS - DIRECTOR	April 08, 2020
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	June 23, 2019
Annual Return - 2018 PAF: LAWRENCE KRIMKER - DIRECTOR	April 28, 2019
Annual Return - 2017 PAF: LAWRENCE KRIMKER - DIRECTOR	December 09, 2018
BCA - Articles of Amendment	November 30, 2018
Annual Return - 2016 PAF: LAWRENCE KRIMKER - DIRECTOR	February 25, 2018
CIA - Initial Return PAF: LAWRENCE KRIMKER - DIRECTOR	August 03, 2016

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BCA - Articles of Incorporation

August 03, 2016

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V. Quintanilla W.

Director/Registrar

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Ministry of Public and
Business Service Delivery

Profile Report

CROWN CREST FUNDING CORP. as of October 26, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	CROWN CREST FUNDING CORP.
Ontario Corporation Number (OCN)	2470888
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	June 15, 2015
Registered or Head Office Address	2225 Sheppard Avenue East, 800, North York, Ontario, Canada, M2J 5C2

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V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors
Maximum Number of Directors

1

10

Name

Address for Service

ALFRED APPS

40 King Street West, 5800, Toronto, Ontario, Canada, M5H
3S1

Yes

April 01, 2016

Resident Canadian
Date Began

Name

Address for Service

GEOFFREY BELSHER

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2

Yes

April 01, 2016

Resident Canadian
Date Began

Name

Address for Service

DWIGHT DUNCAN

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2

Yes

April 01, 2016

Resident Canadian
Date Began

Name

Address for Service

SAMSON LIM

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2

Yes

December 12, 2019

Resident Canadian
Date Began

NATASHA SHARPE

2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2

Yes

April 01, 2016

Resident Canadian
Date Began

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Active Officer(s)

Name LYUDMILA KRIMKER
Position President
Address for Service 2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2
Date Began November 30, 2015

Name LYUDMILA KRIMKER
Position Secretary
Address for Service 2225 Sheppard Avenue East, 800, North York, Ontario,
Canada, M2J 5C2
Date Began November 30, 2015

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V. Quintarilla W.

Director/Registrar

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Corporate Name History

Name	CROWN CREST FUNDING CORP.
Effective Date	November 26, 2015
Previous Name	SIMPLY GREEN FUNDING CORP.
Effective Date	June 15, 2015

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V. Quintarilla W.

Director/Registrar

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Active Business Names

Name	SANDPIPER ENERGY SOLUTIONS HOME COMFORT
Business Identification Number (BIN)	271324865
Registration Date	December 14, 2017
Expiry Date	December 12, 2027
Name	HCSI HOME COMFORT
Business Identification Number (BIN)	280134800
Registration Date	February 02, 2018
Expiry Date	January 31, 2028

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2019 PAF: LYUDMILA KRIMKER - DIRECTOR	June 14, 2020
CIA - Notice of Change PAF: WILLIAM ALFRED APPS - DIRECTOR	April 08, 2020
Annual Return - 2018 PAF: LYUDMILA KRIMKER - DIRECTOR	January 26, 2020
Annual Return - 2017 PAF: LYUDMILA KRIMKER - DIRECTOR	January 26, 2020
Annual Return - 2016 PAF: LYUDMILA KRIMKER - DIRECTOR	January 26, 2020
Annual Return - 2015 PAF: LAWRENCE KRIMKER - DIRECTOR	January 26, 2020
CIA - Notice of Change PAF: ALFRED APPS - OFFICER	April 10, 2017
Annual Return - 2015 PAF: LAWRENCE KRIMKER - DIRECTOR	June 26, 2016
CIA - Initial Return PAF: LYUDMILA KRIMKER - DIRECTOR	December 01, 2015
BCA - Articles of Amendment	November 26, 2015
BCA - Articles of Incorporation	June 15, 2015

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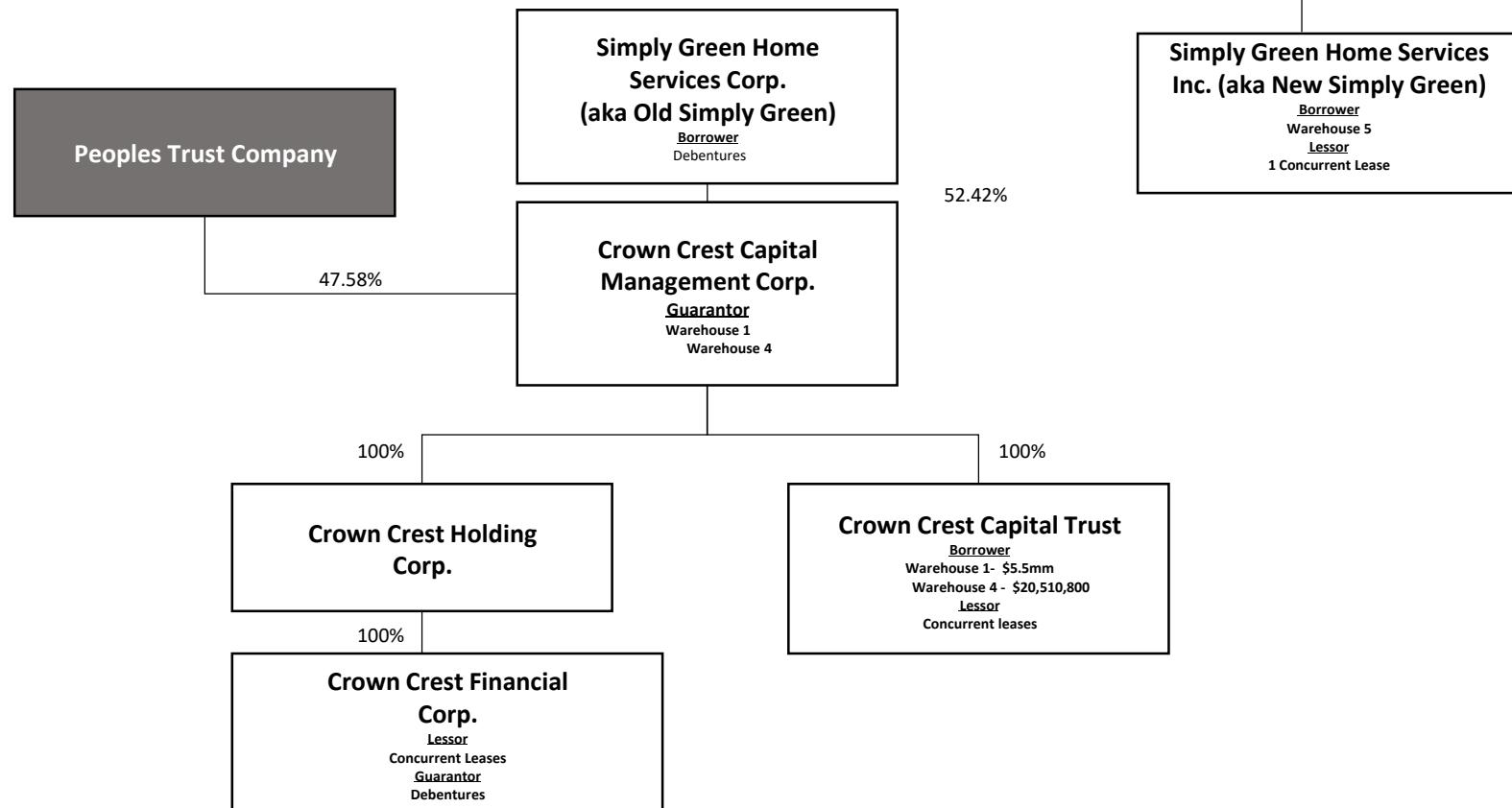
**This is Exhibit “B”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

katherine Yurkovich

BF136400C72D4F9
A commissioner for taking affidavits

Organizational chart



**This is Exhibit “C”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

A handwritten signature in black ink, appearing to read "Katherine Yurkovich".

RE136400C72D4E9

A commissioner for taking affidavits

FOURTH AMENDED AND RESTATED WAREHOUSE LINE OF CREDIT AGREEMENT (WAREHOUSE 1)

This Fourth Amended and Restated Warehouse Line of Credit Agreement is executed as of
January 1, 2023.

This Agreement is entered into by and among Crown Crest Funding Corp. (the "Trustee"), in its capacity as trustee of Crown Crest Capital Trust, a trust duly formed and validly existing trust under the laws of the Province of Ontario (the "Borrower"), Crown Crest Capital Management Corp., a corporation incorporated under the laws of the Province of Ontario ("Guarantor") and Peoples Trust Company, a trust company existing under the laws of Canada ("PTC").

RECITALS:

- A. Borrower is a special purpose trust, formed to acquire and hold Leases for the lease or sale of Approved Equipment originated by the Originators;
- B. Borrower, Guarantor and PTC entered into a warehouse line of credit agreement made as of December 1, 2016 (the "Original Agreement"), which was amended by eight amending agreements (collectively with the Original Agreement, the "Original Amended Agreement"), pursuant to which the Borrower obtained from PTC a demand revolving line of credit ("Loan") on the terms and conditions set forth therein;
- C. Borrower, Guarantor and PTC amended and restated the terms of the Original Amended Agreement in an amended and restated warehouse line of credit agreement (the "First Restated Agreement") dated as of April 27, 2018, which was amended by four amending agreements, (collectively with the First Restated Agreement, the "First Amended Agreement");
- D. Borrower, Guarantor and PTC amended and restated the terms of the First Amended Agreement in an amended and restated warehouse line of credit agreement (the "Second Amended Agreement") dated as of January, 28 2022, which was further amended and restated (the "Third Amended Agreement"); and
- E. Borrower, Guarantor and PTC wish to further amend and restate the Third Amended Agreement on the terms and conditions hereinafter set forth, with effect as of October 31, 2022 (the "Amendment Effective Date").

NOW, THEREFORE in consideration of the premises and the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 DEFINITIONS

"Advances" has the meaning ascribed to it in Section 2.1.

"Advance Request" means an advance request in the form of Schedule A.

"Adverse Claim" means a security interest or other lien, charge, encumbrance, right or claim, including any filing or registration made in respect thereof, of or through any Person (other than PTC).

“Agreement” shall mean this Fourth Amended and Restated Warehouse Line of Credit Agreement and all schedules and exhibits hereto, as it may be amended, restated, supplemented, modified or replaced from time to time.

“Approved Equipment” shall mean storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment and boiler systems, sub-metering equipment as well as such other consumer equipment as may be agreed by the Borrower under Program Agreements.

“Approved Originator” means each of the following Originators:

- (a) Simply Green Home Services Inc.;
- (b) Alberta Water Home Comfort Services Inc.;
- (c) HVAC Consulting Corporation;
- (d) Ontario HVAC and Water Incorporated;
- (e) Applied Energy Incorporated;
- (f) Preferred Air Limited;
- (g) 4140800 Canada Inc. carrying on business as Cool Heat Comfort;
- (h) Penguin Heating & Cooling Incorporated;
- (i) 9506888 Canada Incorporated, carrying on business as True North Home Solutions;
- (j) National Green Home Services;
- (k) Alberta Quality Home Comfort Incorporated;
- (l) Canada Green Energy Ltd.; and
- (m) Just Green Home Services;

together with any additional Originators approved in writing, where approval by PTC is subject to receipt by PTC at least five Business Days before any such approval is to be provided of all information required by PTC concerning the proposed additional Originator and PTC being satisfied, acting reasonably, with the results of its review of that information.

“BFI Facility” means the Borrower’s existing warehouse financing of Leases made available by Bridge Finance Inc. and/or its affiliates (including, without limitation, Sprott Bridging Income Fund LP).

“Blocked Account Agreement” means the blocked account agreement between the Trustee, PTC and The Toronto-Dominion Bank, as the same may be amended, restated, supplemented or replaced from time to time.

“BMO Prime” means, at any time, the posted “prime rate” of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

“Borrowing Base” means at any time, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under Eligible Assets then owned by the Borrower, discounted to such date at the discount rate established pursuant to Section 1.2.

“Borrowing Base Certificate” means a certified calculation of the Borrowing Base in the form of Schedule B.

“Business Day” means any day that is not a Saturday, Sunday or other day to which commercial banks in Vancouver, British Columbia or Toronto, Ontario are authorized or required by applicable law to remain closed.

“Charged-Off Asset” means any Lease Asset (i) for which the Borrower has become aware that an Insolvency Event has occurred in respect of the related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Borrower in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease Asset would be charged-off as uncollectible upon the Borrower becoming aware that an Insolvency Event had occurred in respect of the related Obligor.

“Collections” means, without duplication (i) in respect of any Eligible Asset, all cash collections and other cash proceeds in respect thereof and of the related rights and Leases and (ii) the net proceeds of any disposition of the related Eligible Asset.

“Collections Account” means the account established and maintained in the name of the Borrower as the account owner at The Toronto-Dominion Bank (Branch ID: 14822, Account Number: 14825293714) or such other account as is designated by notice to PTC as the Collections Account for the purposes hereof, which account shall at all times be subject to a blocked account agreement in form and substance acceptable to PTC.

“Commercial Lease” means a Lease Asset for which the original Obligor is not one or more individuals.

“Credit and Collection Policies” means the Borrower’s credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Borrower’s operating procedures manual, which for greater certainty, has been reviewed and approved by PTC as of December 1, 2016.

“Credit Parties” means, collectively, the Borrower, the Guarantor and the Trustee, and “Credit Party” means any of them.

“Delinquency Rate” means, for any Reporting Period, the sum of the Outstanding Balances of Eligible Assets that are Delinquent Assets at the end of such Reporting Period, divided by the Outstanding Balance of all Eligible Assets at the end of such Reporting Period.

“Delinquency Rate Reimbursement” means an administration fee equal to \$2500, which for greater certainty, is not and shall not be deemed to be a penalty in any way, and represents costs incurred by PTC with respect to the monitoring, analyzing and reporting on either of the Excess LS Delinquencies or the Excess LV Delinquencies, as such terms are defined in Section 2.5.

“Delinquent Asset” means:

- (a) if the Lease Asset is a not a RNC Lease, any amount payable thereunder is more than 30 days past due; or
- (b) if the Lease Asset is a RNC Lease, the RNC Lease Builder has failed or fails to take all steps necessary for the RNC Lease Homeowner to assume all obligations pursuant to the RNC Lease concurrently with the closing of the purchase and sale of the building in which the Approved Equipment under the RNC Lease has been installed; or
- (c) if the Lease Asset is a RNC Lease, either (i) more than 90 days have elapsed since the date on which the RNC Lease Homeowner assumed all obligations under the RNC Lease without the RNC Homeowner making the first payment required under the RNC Lease or, (ii) after the 90-day period from the date the RNC Homeowner assumed all obligations under the RNC has elapsed, any amount payable under the RNC Lease is more than 30 days past due.

"Eligible Asset" means any Lease Asset:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Borrower; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any pre-condition which has not been fulfilled;
- (b) which is not a Charged-Off Asset;
- (c) that has a fair market value (based on monthly payments) that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Borrower), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Borrower and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Borrower or the Originator is not in default in the performance of any of the covenants of the Borrower or the Originator thereunder;
- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;
- (i) in which the perfection of the Borrower's rights complies with the requirements of the Credit and Collection Policies in all material respects, it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Borrower's rights;

- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Lease and such origination was consistent with the Credit and Collection Policies) and there are no such proceedings pending, or to the best of the Borrower's knowledge, threatened against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by PTC, acting reasonably;
- (m) in respect of which the Borrower is the legal and beneficial owner of the Lease Asset, the related Leases and Rights free and clear of any Adverse Claim other than as contemplated hereunder;
- (n) that has not been satisfied, subordinated, waived or rescinded;
- (o) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (p) that was generated in the ordinary course of business;
- (q) except in the case of Low Value Leases, for which all filings or recordings with respect to the Borrower's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests including any further filings, recordings or renewals thereof, have been effected by the Borrower ("**Lien Registration**"); provided, however, if the Lease Asset is a Low Value Lease in respect of which there is no Lien Registration, the Outstanding Balance of such Lease Asset, together with the Outstanding Balance of all Eligible Assets in respect of which there are no Lien Registrations, does not exceed 35% of the Outstanding Balance of all Eligible Assets at such time;
- (r) in respect of which there is a parts and labour warranty on the related Leased Equipment as issued by a third party insurer that is approved in writing by PTC (acting reasonably) or the Borrower has otherwise made arrangements with a third party (other than the Obligor or the Borrower) to ensure that any repair and servicing of the Leased Equipment is conducted and completed as required from time to time;
- (s) in respect of which the related Originator Reserve required under the terms of the related Program Agreement has been deposited to the Reserve Account and, (i) in the case of a Low Value Lease in respect of which there is no Lien Registration or no measured credit score for the related Obligor, the Originator Reserve has been increased by an additional 1% of the Outstanding Balance of such Lease Asset, and (ii) in the case of a Lease Asset that does not have a parts and labour warranty on the related Leased Equipment, on such warranty terms and with such insurers as may be approved by PTC in writing (acting reasonably), the Originator Reserve has been increased by an additional 0.25% of the Outstanding Balance of such Lease Asset; provided, however, that in no event shall the Originator Reserve be required to exceed 4% of the

Outstanding Balance of a Lease Asset in order for the Lease Asset to qualify as an Eligible Lease;

- (t) that is not a Non-Performing Asset;
- (u) in respect of which the related Originator is an Approved Originator;
- (v) which is not a Lease Asset specifically excluded by the Borrower in a Borrowing Base Certificate, provided that the Borrower may not exclude any Lease Assets as contemplated hereunder if the aggregate amount of Advances then outstanding exceeds or would exceed the Borrowing Base at such time;
- (w) the related Obligor's credit score at the time of origination was not less than 500, provided that the related Obligor may have no measured credit score in respect of a Low Value Lease if evidence has been obtained of the related Obligor's ownership of the residential property at which the related Leased Equipment has been installed;
- (x) the Lease Asset is not a Non-AML-Compliant Lease Asset;
- (y) if the Lease Asset is a Non-Billing RNC Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Non-Billing RNC Leases, does not exceed \$2.5 million;
- (z) if the Lease Asset is a Commercial Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Commercial Leases, does not exceed 45% of the Outstanding Balance of all Lease Assets at such time; and
- (aa) if the Lease Asset is a Low Value Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Value Leases, does not exceed 50% of the Outstanding Balance of all Lease Assets at such time.

"End Date" shall have the meaning set forth in Section 2.1.

"GAAP" means at any particular time with respect to any Credit Party, generally accepted accounting principles as in effect at such time in Canada, consistently applied.

"Governmental Authority" means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantee" has the meaning ascribed to it in Section 4.1.

"HVAC" has the meaning ascribed to it in the definition of Approved Equipment.

"Indemnitee" has the meaning ascribed to it in Section 14.2.

"Insolvency Event" means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up,

reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days, or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

“Lease” means a lease, rental agreement or conditional sales contract or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Originator.

“Lease Asset” means a Lease together with the related Rights.

“Leased Equipment” means in respect of a Lease, the equipment leased to the related Obligor hereunder, including any replacements thereof under the terms of the Lease.

“Loan” has the meaning ascribed to it in Recital B.

“Loan Documents” has the meaning ascribed to it in Section 5.1(a).

“Low Score Leases” means Lease Assets in respect of which the beacon score of the related Obligor is less than 600 on the date such Lease Asset is originated.

“Low Value Lease” means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the monthly rental payment (excluding taxes) is less than \$45 or a tankless water heater where the monthly rental payment (excluding taxes) is less than \$65.

“Management Debt” means the subordinated debt provided to the Borrower by SGHS and/or SGHS’ employees for the purposes of financing Leases.

“Maximum Amount of Loan” means the amount set forth in Section 15.

“Non-AML-Compliant Eligible Asset” means a Non-AML-Compliant Lease Asset that meets all of the requirements to be treated as an Eligible Asset under this Agreement other than under paragraph (z) of the definition of Eligible Asset.

“Non-AML-Compliant Eligible Asset Advance” means an Advance drawn pursuant to an Advance Request that specifies that the Advance is “to be used for Non-AML-Compliant Eligible Assets”.

“Non-AML-Compliant Lease Asset” means a Lease Asset that does not comply with the “know your customer” requirements imposed by any anti-money laundering or anti-terrorist financing legislation applicable to PTC, as determined by PTC in its sole discretion.

“Non-Billing RNC Lease” means any RNC Lease for which a RNC Lease Homeowner has not begun making payments thereunder.

“Non-Billing RNC Lease Term Loan” has the meaning ascribed to it in Section 2.6.

“Non-Billing RNC Lease Term Loan Maturity Date” has the meaning ascribed to it in Section 2.6.

“Non-Performing Asset” means any Lease Asset that is more than 90 days past due.

“Note” has the meaning ascribed to it in Section 2.4.

“Obligor” means in respect of any Lease Asset, the Person or Persons obligated to make payments thereunder and, in the case of a RNC Lease or a Commercial Lease, includes the agent of that Person or Persons.

“Originators” means Approved Originators and such other Persons who become parties to Program Agreements with the Borrower from time to time.

“Originator Reserves” means the cash reserves held by the Borrower under the Program Agreements and available to be applied toward losses or other shortfalls suffered in respect of the Lease Assets acquired under the related Program Agreement.

“Outstanding Balance” means at any time in respect of a Lease Asset, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under such Lease Assets, discounted to such date at the discount rate established pursuant to Section 1.2.

“Person” includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

“Program Agreements” means the program agreements entered into by the Borrower with each Originator pursuant to which the Borrower acquires Leases from time to time.

“Records” means, in respect of any Lease Asset, all contracts (including those evidencing such Lease Asset), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Borrower, hard copies of all data maintained in databases of the Borrower, tapes and disks) maintained by or on behalf of the Borrower in respect of the Lease Assets and the related Obligor.

“Reporting Period” means a calendar month.

“Reserve Account” means the account established and maintained in the name of PTC as the account owner at The Toronto-Dominion Bank (account number is 01020-5516580) or such other account as is designated by notice to the Borrower as the Reserve Account for the purposes hereof.

“Rights” means, in respect of any Lease Asset, the following:

- (a) all rights and benefits accruing to the Borrower under such Lease Asset, including all right, title and interest in and to the related receivables;
- (b) all of the Borrower’s right, title and interest in and to the related Leased Equipment;
- (c) all of the Borrower’s right, title and interest in the Originator Reserves held under the Program Agreements in respect of the Lease Asset and available to be applied toward the payment of any Lease Asset under the terms of the related Program Agreement;
- (d) all right in or to payments (including both proceeds and, to the extent the Borrower has any rights therein, premium refunds) under any insurance policies maintained by the related Obligor pursuant to the terms of such Lease Asset or by the Borrower in respect of such Lease Asset;
- (e) all claims, demands, actions, damages and indemnities owing to the Borrower under such Lease Asset;

- (f) the right of the Borrower to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease Asset and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;
- (g) all of the right, title and interest of the Borrower in, to and under all prepayments, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor's obligations in respect of the Lease Asset, whether pursuant to the Lease Asset or otherwise;
- (h) the related Records; and
- (i) all proceeds of or relating to any of the foregoing.

"RNC Lease" means a Lease Asset for which the original Obligor under the applicable Lease is a RNC Lease Builder.

"RNC Lease Builder" means a builder or developer who does not intend to occupy the building in which the Approved Equipment under a RNC Lease is to be installed.

"RNC Lease Homeowner" means the first Obligor or Obligors under a RNC Lease who is not a RNC Lease Builder.

"Sale and Servicing Agreement" means the sale and servicing agreement dated December 1, 2016 entered into between the Borrower, PTC and the Guarantor, as amended, restated, supplemented, replaced or otherwise modified from time to time.

"Scheduled Payment" means, in respect of a Lease Asset, the regularly scheduled monthly rental payment payable by the Obligor thereunder during a term not exceeding the lesser of (i) the term of the Receivable, (ii) ten years, and (iii) the remainder of the Prescribed Term, as such term is defined in the related Program Agreement.

"Security" has the meaning ascribed to it in Section 3.1.

"Security Agreement" means the general security agreement dated as of December 1, 2016 between the Borrower and PTC, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time;

"SGHS" means Simply Green Home Services Corp. (formerly Simply Green Home Services Inc.)

"Shareholders' Agreement" means the unanimous shareholders' agreement among Crown Crest Capital Management Corp., Simply Green Home Services Inc. and PTC, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Subordinated Debt" means subordinated debt incurred by the Borrower from time to time to finance or refinance the acquisition of Leases, which debt may be secured but shall be subordinated and postponed to the Loan.

"Trustee" means Crown Crest Funding Corp.

1.2 DISCOUNT RATE

Any reference to a “**discount rate**” in the definition of “**Borrowing Base**” or “**Outstanding Balance**” means a discount rate equal to (A) 4% per annum with respect to any Lease originated by an Originator prior to January 2, 2023, and (B) 7.5% per annum with respect to any Lease originated by an Originator on or after January 2, 2023; provided that PTC may further adjust the discount rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of Advances to be made after such date. An increase in the discount rate may not exceed the net increase in BMO Prime during the calendar year during which the notice is given.

1.3 AMENDMENTS TO DEFINITION OF ELIGIBLE ASSET

If, at any time, PTC determines, acting reasonably, that there has been a material change in the information contained in a Borrowing Base Certificate from the information contained in any previous Borrowing Base Certificate, then PTC may elect by notice in writing to the Borrower and the Guarantor to amend the definition of Eligible Asset so that it contains one or more of the following additional requirements:

- (a) if the Lease Asset is a Low Score Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Score Leases, does not exceed 5% of the Outstanding Balance of all Lease Assets at such time; and
- (b) if the Lease Asset is a Low Value Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Value Leases, does not exceed 35% of the Outstanding Balance of all Leased Assets at such time;

and the definition of Eligible Asset will be deemed to have been amended from the time of delivery of notice of any such election by PTC to the Borrower and the Guarantor.

2. LOAN

2.1 LOAN

Subject to the terms and conditions contained in this Agreement and in the other documents, instruments and agreements executed in connection with the Loan, including without limitation, the Security Agreement and the other Loan Documents, PTC will establish for the Borrower the Loan as a demand revolving line of credit against which PTC will make advances (“**Advances**”) from time to time for the purpose of financing or refinancing the acquisition of Eligible Assets and Non-AML-Compliant Eligible Assets. Subject to the terms hereof, including without limitation Section 2.2, the Borrower shall have the right to obtain Advances, repay Advances and obtain additional Advances; however, all of the Advances hereunder shall be deemed to be a single loan. At no time shall (i) the unpaid principal balance of the Loan exceed the lesser of (x) the Borrowing Base, and (b) the Maximum Amount of Loan and (ii) all Advances of the Loan shall be made on or before the date set forth in Section 2.8 (“**End Date**”).

2.2 ADVANCES

Subject to the terms and conditions hereof, Advances of the Loan will be limited as follows:

- i. First Draw: A one-time Advance on December 1, 2016 to, among other things, repay the BFI Facility in full and the Management Debt in full, by delivery on December 1, 2016 of an Advance Request together with a current Borrowing Base Certificate.

- ii. Subsequent Draws for Eligible Assets: Advances to only purchase and refinance Eligible Assets from Approved Originators may be drawn on the last Business Day of each week by delivery of an Advance Request together with a current Borrowing Base Certificate no later than the Business Day prior to the requested Advance.
- iii. Subsequent Draws for Non-AML-Compliant Eligible Assets: Advances to only purchase and refinance Non-AML-Compliant Eligible Assets from Approved Originators may be drawn on the first Business Day of each week by delivery of an Advance Request together with a current Borrowing Base Certificate: (A) for the initial Advance Request of Non-AML-Compliant Eligible Assets, at least five (5) Business Days prior to the requested Advance; and (B) thereafter, no later than 9:00 a.m. (Pacific Time) on the Business Day prior to the requested Advance. Any such Advance Requests must state in Paragraph B of the Advance Request "Type/amount of Advance" after the amount of the Advance that the Advance is "to be used for Non-AML-Compliant Eligible Assets". The outstanding aggregate principal amount of all Advances to be used to purchase and refinance Non-AML-Compliant Eligible Assets shall not at any time exceed \$10,000,000. For greater certainty, the right to draw Advances to be used for Non-AML-Compliant Eligible Assets will not increase the Maximum Amount of Loan specified in Section 15.1. For further certainty, no Advance may be requested or drawn pursuant to this paragraph iii. to purchase and refinance any Lease Assets that are Eligible Assets or, in the sole and absolute discretion of PTC, are Lease Assets with respect to which the Borrower has not complied with the "know your customer" requirements imposed by any applicable anti-money laundering or anti-terrorist financing legislation for the primary purpose of categorizing such Lease Assets as Non-AML-Compliant Eligible Assets; it being the intention that, where reasonably possible, the Borrower shall meet all such "know your customer" requirements in respect of Lease Assets that the Borrower wishes to purchase and refinance with use of Advances.
- iv. Greypoint Capital Refinancing: Notwithstanding anything else contained herein, on or after January, 28 2022, the Borrower shall be permitted to request one Advance of up to \$3,500,000 (the "**Greypoint Advance**") for the purpose of refinancing existing Eligible Assets that were previously financed by Greypoint Capital (the "**Greypoint Assets**"). Following the Greypoint Advance, any of the Greypoint Assets not included in the Greypoint Advance which subsequently qualify as an Eligible Asset may then be included in the Borrowing Base and in any Advance that is otherwise compliant this Section 2.2. Any and all Greypoint Assets which do not qualify as an Eligible Asset shall be excluded from the calculation of the Borrowing Base when determining availability for other Advances after January, 28 2022.

Advances made pursuant to paragraphs ii. and iii. may not be used to purchase and refinance portfolios of Eligible Assets and/or Non-AML-Compliant Eligible Assets, but may only be used to purchase and refinance Eligible Assets and/or Non-AML-Compliant Eligible Assets in the ordinary course of business pursuant to Program Agreements.

An Advance Request may include Advances requested pursuant to one or both of paragraphs ii. and iii. No more than one Advance Request may be delivered per week. The aggregate amount requested pursuant to an Advance Request shall be no less than \$300,000.

No Advance shall cause the aggregate principal amount of Advances outstanding hereunder to exceed the Borrowing Base or the Maximum Amount of Loan. In addition to statutory holidays, PTC's offices close for lending annually between December 15th and January 2nd for the winter holidays. Hence, no Advances can occur during this period.

Cash reserves held by the Borrower in accordance with the Program Agreements shall be held in the Reserve Account and applied by the Borrower to shortfalls in respect of Leases as provided under the related Program Agreements. Without limiting the foregoing, the Borrower shall ensure that the amount on deposit in the Reserve Account shall be no less than 4% of the Outstanding Balances related to all Eligible Assets.

2.3 NON-AML-COMPLIANT ELIGIBLE ASSETS

All requirements and obligations imposed on the Borrower pursuant to this Agreement will be met and performed by the Borrower separately for:

- (a) all Eligible Assets; and
- (b) all Non-AML-Compliant Eligible Assets;

and, in meeting all such requirements and obligations with respect to any Non-AML-Compliant Eligible Assets, all references in this Agreement to "**Eligible Assets**" will be deemed to be references to "**Non-AML-Compliant Eligible Assets**".

As an example, where, pursuant to Section 8.1(b)(iii)(C) of this Agreement, the Borrower covenants to provide a Borrowing Base Certificate that includes a calculation of the Delinquency Rate, the Borrower shall provide one such Borrowing Base Certificate where the calculation of the Delinquency Rate includes only Eligible Assets, and one such Borrowing Base Certificate where the calculation of the Delinquency Rate includes only Non-AML-Compliant Eligible Assets.

2.4 NOTE

The Loan shall, at the request of PTC, be evidenced by a promissory note ("**Note**") in a form prepared and approved by PTC in the Maximum Amount of Loan, payable in accordance with the terms thereof.

2.5 INTEREST AND PAYMENTS

Subject to the following sentence, Interest on the principal amounts of the Advances outstanding from time to time shall be the per annum rate specified in Section 15 as the "**Interest on the Loan**" (the "**Interest Rate**") as adjusted below and should such rates of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law. Interest on the principal amounts of the Non-AML-Compliant Eligible Asset Advances outstanding from time to time shall be the per annum rate specified in Section 15 as the "**Interest on the Non-AML Compliant Portion of the Loan**" (the "**Non-AML-Compliant Interest Rate**") as adjusted below and should such rates of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law.

Subject to the following sentence, Interest on the principal amount of the Advances outstanding from time to time will be calculated and compounded monthly, not in advance, at the Interest Rate, both before and after maturity and default, and with interest on overdue interest at the same rate, until payment in full has been made of the principal amount and all accrued interest. Interest on the principal amount of the Non-AML-Compliant Eligible Asset Advances outstanding from time to time will be

calculated and compounded monthly, not in advance, at the Non-AML-Compliant Interest Rate, both before and after maturity and default, and with interest on overdue interest at the same rate, until payment in full has been made of the principal amount and all accrued interest.

All interest hereunder shall be payable for the actual number of days elapsed (including the first day and the last day).

If the Delinquency Rate for the Low Score Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 8% (the amount of any excess being the “**Excess LS Delinquencies**”), a Delinquency Rate Reimbursement (an “**Excess LS Delinquencies Reimbursement**”) shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 8%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LS Delinquencies.

If the Delinquency Rate for the Low Value Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 10% (the amount of any excess being the “**Excess LV Delinquencies**”), a Delinquency Rate Reimbursement (an “**Excess LV Delinquencies Reimbursement**”) shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 10%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LV Delinquencies.

For greater certainty, both an Excess LS Delinquencies Reimbursement and an Excess LV Delinquencies Reimbursement may be payable by the Borrower to PTC for the same Reporting Period.

Accrued interest on the Loan shall be payable in arrears on the first (1st) day of each month and upon termination of the commitments hereunder (including upon the occurrence of the End Date).

The Borrower, Guarantor and PTC confirm that the initial cash payment in respect of any Eligible Asset purchased by PTC pursuant to the Sale and Servicing Agreement prior to December 1, 2016 has been deemed to have been paid to the Borrower in accordance with the Sale and Servicing Agreement and then repaid to PTC and applied toward the repayment of principal owing on the Loan in accordance with this Agreement. For greater certainty, this paragraph shall not apply to any Non-AML-Compliant Eligible Assets.

The Borrower shall pay to PTC on the End Date or other date of maturity of the Note or Loan, whether by acceleration or otherwise, the aggregate principal amount of all amounts of Advances outstanding on such date.

All payments and prepayments of principal, interest and fees under this Agreement and the Note and Loan shall be made to PTC prior to 12:00 p.m. (noon), Pacific time, in immediately available funds and for the ratable benefit of PTC.

2.6 PREPAYMENTS

If for any reason the aggregate principal amount of the Loan outstanding at any time shall exceed the lesser of (i) the Maximum Amount of the Loan and (ii) the Borrowing Base at such time, the Borrower, without notice or demand, shall immediately make a principal payment to PTC in an amount equal to such excess plus accrued and unpaid interest thereon. If any fine, penalty, sanction, order or other

liability if imposed upon or determined against any of the Borrower, PTC or any Originator in connection with or relating to any Eligible Asset the purchase of which was financed by an Advance hereunder, such Lease Asset shall cease to be an Eligible Asset and the Borrower shall immediately, make a principal payment to PTC in an amount equal to the Advance made in connection with the relevant Eligible Asset. The Borrower may from time to time, prepay all or part of the outstanding principal balance of the Loan provided that in the event of any prepayment prior to the expiration of ninety (90) days from the date hereof, the Borrower shall pay to PTC an amount equal to the interest that would otherwise have been payable under the Note from the date of the prepayment until the end of such ninety (90) days.

Notwithstanding anything else contained herein to the contrary, if on the date that is 6 months after January 28, 2022, any Lease Assets that are included in the calculation of the Borrowing Base are Non-Billing RNC Leases, then a portion of the Loans in an amount equal to the Outstanding Balance of all Lease Assets that are at that time Non-Billing RNC Leases shall be automatically converted into a term loan (the “**Non-Billing RNC Lease Term Loan**”) with the following terms and conditions:

- (a) the Non-Billing RNC Lease Term Loan shall have a term of 3 months (with the last day of such term being the “**Non-Billing RNC Lease Term Loan Maturity Date**”);
- (b) the Non-Billing RNC Lease Term Loan shall accrue interest on the outstanding principal amount thereof at the per annum rate set forth in Section 15;
- (c) the Borrower shall make blended monthly payments of principal and interest on the Non-Billing RNC Lease Term Loan such that the outstanding principal amount thereof will be completely repaid by the Non-Billing RNC Lease Term Loan Maturity Date;
- (d) the Borrower shall be permitted at any time without notice or penalty to prepay any or all of the outstanding principal amount of the Non-Billing RNC Lease Term Loan, along with any accrued and unpaid interest thereon; and
- (e) upon conversion of the Loan into the Non-Billing RNC Lease Term Loan, all Non-Billing RNC Leases shall be excluded from the calculation of the Borrowing Base and the Borrower shall, if necessary, make a prepayment in accordance with the first paragraph of this Section 2.6.

2.7 REMITTANCE ACCOUNT

The Collections received by Borrower from its collection of Leases, excluding Leases purchased under the Sale and Servicing Agreement, which have been assigned, by way of security pursuant to Section 3.1, shall be remitted to the Collections Account and subject to the terms of the Blocked Account Agreement.

2.8 END DATE / RENEWAL

- (a) The Loans shall mature and be repayable on the End Date specified in Section 15. Notwithstanding the foregoing, the End Date may be extended by PTC for an additional 6 months by written notice to the Borrower, such notice to be sent no earlier than 6 months prior to the scheduled End Date and no later than 4 months prior to the scheduled End Date. Upon such extension, the End Date shall be deemed to be such date 6 months following the scheduled End Date for all purposes hereunder until further extended by PTC pursuant to this Section 2.8.

3. SECURITY

3.1 SECURITY

As security for the payment of the Note, the Loan, and all other liabilities and obligations of Borrower to PTC, now existing or hereafter created, Borrower shall grant a security interest in and set over to PTC, all of the Borrower's present and after-acquired personal property, including without limitation, all of the Borrower's rights, titles and interests in all of Borrower's Lease Assets ("Security"); and any cash flow and proceeds therefrom. Such assignment, pledge and security interest shall be granted by way of the Security Agreement and such other instruments or specific assignments, by way of security, and shall be registered and perfected under applicable personal property security legislation in all required jurisdictions, in each case, as determined by PTC in its sole discretion.

3.2 RESTRICTIONS

Except as set out herein, the Borrower may not grant or assign, pledge or set over any of its rights, titles or interests in a Lease to any third party. Borrower shall be free to sell, assign or convey any Eligible Assets to any Person provided that (i) the Borrower offers to sell, assign or convey any Eligible Assets firstly to PTC, on substantially similar terms (ii) PTC declines to purchase such Eligible Assets on such terms, and following any such sale, assignment and conveyance, (iii) the aggregate amount of all outstanding Advances shall not exceed the Borrowing Base at any time and (iv) the Borrower shall within 15 days of such sale, assignment and conveyance either (A) deliver to PTC an amount equal to 100% of the net proceeds of such sale, assignment and conveyance as a prepayment of the amounts outstanding under the Advances or (B) use such net proceeds to purchase and refinance additional Eligible Assets. For greater certainty, the right of first refusal granted to PTC in paragraphs (i) and (ii) of this Section 3.2 will not apply to any proposed sale, assignment or conveyance of any Non-AML-Compliant Eligible Assets, and the remaining conditions in this Section 3.2 will apply to any such sale, assignment or conveyance of any Non-AML-Compliant Eligible Assets

3.3 ADDITIONAL DOCUMENTS

Borrower or the Trustee as applicable shall execute from time to time upon the request of PTC, a standard Blocked Account Agreement in respect of the Collections Account and the Reserve Account and such financing statements or other documents as reasonably required by PTC to perfect or continue PTC's rights, titles and interests in the Leases. For greater certainty, such Blocked Account Agreement shall permit Borrower to withdraw funds from the Collections Account and the Reserve Account unless and until "activated" by PTC on the occurrence of an Event of Default.

4. GUARANTEE

4.1 GUARANTOR

Guarantor shall grant and execute in favour of PTC a guarantee (the "Guarantee") whereby the Guarantor shall irrevocably and unconditionally guarantee to PTC the due and punctual payment in full of the Note, Loan, and all other liabilities and obligations of Borrower to PTC hereunder when the same shall become due, and such Guarantee shall be in form and content satisfactory to PTC in its sole discretion.

5. CONDITIONS PRECEDENT

5.1 CONDITIONS PRECEDENT TO ADVANCES

In addition to the conditions set out in Section 2.2, PTC shall have no obligation to make any Advance until the conditions set forth in the following subparagraphs and elsewhere herein have been satisfied at the expense of the Borrower, as determined by PTC in its sole and absolute discretion:

- (a) each Credit Party shall have delivered, or cause to be delivered, to PTC, in form and substance satisfactory to PTC, this Agreement, the Note, the Security Agreement, the Blocked Account Agreement and the Guarantee, and such other documents, instruments, financing statements, certificates, legal opinions, and agreements as PTC may reasonably request (collectively, the "**Loan Documents**");
- (b) each Credit Party shall have delivered, or cause to be delivered, to PTC, in form and substance satisfactory to PTC in its sole and absolute discretion certified copies of resolutions of such Credit Party's trustees, directors or partners, as the case may be, authorizing such Credit Party to execute, deliver, honour and perform the Agreement, the Note, the Security Agreement and a certificate of incumbency certifying the names and signatures of the trustees, officers or partners, as the case may be, of each Credit Party authorized to sign the Loan Documents;
- (c) All of PTC's liens and security interests securing the Note, Loan, and all other liabilities and obligations of Borrower to PTC shall have been validly perfected and be representative of a first charge over the Security;
- (d) PTC shall have received evidence of, or undertakings from the Borrower's solicitors in relation to, the discharge of any indebtedness or Adverse Claims, except as permitted in accordance with Section 8.1(g), as determined satisfactory in the reasonably exercised opinion of PTC's solicitors;
- (e) No material adverse change shall have occurred in the business or financial condition of Borrower since the date of the latest financial statements given to PTC by on behalf of Borrower;
- (f) Each of the warranties and representations made by Borrower in this Agreement shall be true and correct as of the date of each Advance; and
- (g) Borrower shall have kept and performed the various covenants, obligations and agreements on its part to be kept and performed under this Agreement and no Event of Default, or act or event which with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder shall have occurred and be continuing.

5.2 REQUEST FOR ADVANCES

Advances may be made by PTC upon receipt of an Advance Request (including a calculation of the current Borrowing Base) executed by the Persons named in Section 15 hereof, either one acting alone, who are authorized to request Advances and direct disposition of any such Advances, for and on behalf of the Borrower, until written notice of the revocation of such authority is received from Borrower by PTC. Each request by Borrower for an Advance shall constitute a reaffirmation, as of the date of such request, of all of the representations and warranties of Borrower contained in this Agreement.

5.3 NO WAIVER

No Advance, or any waiver of a condition in connection therewith, shall constitute a waiver of any of the conditions to any further Advances.

6. FEES

6.1 FEES

As additional consideration for PTC's commitments herein, Borrower agrees to pay to PTC the following fees, which shall be fully earned and non-refundable to Borrower, shall be held and retained by PTC as its sole property and shall not be applied to any payments due under the Loan Documents or Note other than this Section 6:

- (a) a commitment fee in the amount set forth in Section 15 hereof, payable on or before December 1, 2016 and in each instance where the Maximum Amount of Loan is increased or renewed for a new term;
- (b) a non-utilization fee computed at the rate per annum set forth in Section 15 hereof on the unused portion of the Maximum Amount of Loan and payable quarterly in arrears to be calculated from the Amendment Effective Date, where the phrase 'unused portion of the Maximum Amount of Loan' means the average difference between (i) the Maximum Amount of Loan and (ii) the outstanding principal balance of the Loan on each day during such period;
- (c) an inspection fee in the amount per inspection set forth in Section 15 hereof, payable within ten (10) days of Borrower being billed therefor by PTC;
- (d) notwithstanding Section 6.1 and without duplication of any fees payable under Section 6.1(a), a commitment fee in the amount set forth in Section 15 hereof, payable on or prior to January 28, 2022 in connection with the increase of the Maximum Amount of the Loan; and
- (e) an annual review and renewal fee in the amount set forth in Section 15 hereof, payable each year on May 29 so long as this Agreement has not been terminated.

7. REPRESENTATIONS AND WARRANTIES

7.1 REPRESENTATIONS AND WARRANTIES

Each Credit Party confirms that it made the following representations and warranties to PTC as of the date hereof and as of the Amendment Effective Date, which representations and warranties survived the execution of this Agreement:

- (a) Legal Status. Borrower is a trust that has been duly formed and is validly existing under the laws of Ontario and is qualified to transact business in Ontario and in every other jurisdiction in which the nature of its business requires such qualifies; and each of the Trustee and the Guarantor is a corporation that has been duly organized and is validly existing under the laws of Ontario and is qualified to transact business, and has made all filings and is in good standing, in Ontario and in every other jurisdiction in which the nature of its business requires such qualifies;
- (b) No Violation. The making and performance by the Credit Parties of the Loan Documents do not violate any provision of law, nor any provision of such Credit Party's formation documents, including, without limitation, articles of incorporation or any partnership agreement or trust indenture, or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which such Credit Party is a party or by which such Credit Party may be bound;

- (c) Authorization. This Agreement and the other Loan Documents have been duly authorized, executed and delivered, and are legal, valid and binding agreements of the Credit Parties who are party thereto enforceable against such Credit Party in accordance with their terms, except as enforceability may be limited by bankruptcy, solvency, reorganization, moratorium or similar laws effecting creditors' rights generally and by general principles of equity;
- (d) Financial Statements. All financial statements and reports (including Borrowing Base Certificates) that have heretofore been presented to PTC in conjunction with the transaction which is the subject of this Agreement, have been prepared in conformity with GAAP consistently applied, fairly and accurately present the financial condition and income of the subject thereof, as of the date given, and neither contain any untrue statement of a material fact nor fail to state a material fact required in order to make such financial statements not misleading. Since the date of such financial statements, there has been no adverse material change in the financial condition or operations of the subject thereof;
- (e) Consent and Licences. No consent, approval or authorization of, or registration or filing with, any governmental body or authority, or any other Person, firm or entity not a party hereto, is or will be required as a condition to the valid execution, delivery, performance or enforceability of documents contemplate herein, or the transactions contemplated hereby or thereby, or to the conduct of the business of the Credit Parties;
- (f) Litigation. There is no material litigation either pending or, to the best of its knowledge, threatened against the Credit Parties before any court or administrative agency, or before any arbitrator, which may have a material adverse effect on the assets, business, financial conditions or operations of the Credit Parties, or which would prevent or hinder the performance of the obligations of the Credit Parties under the Agreement, and, furthermore, each Credit Party has not violated any law in any material respect and, to the best of its knowledge, is not the subject of any investigation by a governmental agency that could reasonably be expected to result in an indictment or a forfeiture or seizure of any of its assets; and
- (g) Environmental Matters. Each Credit Party, to the best of its knowledge after due investigation, is in compliance in all material respects with all applicable environmental, health and safety statutes and regulations and each Credit Party does not have any material contingent liability in connection with any improper treatment, storage, disposal or release into the environment of any hazardous or toxic waste or substance.

8. COVENANTS OF THE CREDIT PARTIES

8.1 COVENANTS

Until the payment in full of the Loan and until the fulfillment of all of its obligations hereunder, each Credit Party shall comply with the following covenants:

- (a) Books and Records. Each Credit Party shall at all times keep accurate and complete books, records and accounts of all of such Credit Party's business activities, prepared in accordance with GAAP consistently applied, and each Credit Party shall permit PTC, or

any Persons designated by PTC, at any reasonable time, to inspect, audit and examine such books, records and accounts and to make copies or extracts thereof;

(b) Statements and Reports. Each Credit Party shall furnish to PTC:

(i)

- A. within the number of days set forth in Section 15 hereof after the end of each fiscal year of Simply Green Home Services Corp. ("SGHS"), consolidated financial statements of SGHS, which shall include a balance sheet, an income statement showing the results of operations for such a fiscal year and a change in financial position statement for such fiscal year, together, in each case, with the comparable figures for the immediately preceding fiscal year, all in reasonable detail and prepared in accordance with GAAP, consistently applied, which statements shall contain the certification requirements set forth in Section 15 hereof;
 - B. within the number of days set forth in Section 15 hereof after the end of each of the fiscal periods of the Borrower (and any other party listed in section 15) set forth in Section 15 hereof, financial reports of the Borrower (and any other party listed in section 15), which shall include a balance sheet, an income statement showing the results of operations for such fiscal period and a change in financial position statement for such fiscal period, together, in each case, with the comparable figures for the immediately preceding corresponding fiscal period, all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to section 15 hereof;
 - C. within the number of days set forth in Section 15 hereof after the end of each of month of the Borrower (and any other party listed in section 15) set forth in Section 15 hereof, financial reports of the Borrower (and any other party listed in section 15), all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to section 15 hereof;
- (ii) within the number of days set forth in Section 15 hereof prior to the end of each fiscal year of such Credit Party (and any other party listed in Section 15), a detailed forecast for the following fiscal year, including budgeted cash flows, budgeted income statement and project balance sheet, all in reasonable detail and accompanied with such backup as PTC may reasonably require;
 - (iii) within ten (10) days after the end of each month a Borrowing Base Certificate which shall include the following:
 - A. An aging and listing of all accounts receivable prepared in accordance with GAAP which itemizes each account debtor, including each Lease, by name and addresses and which states the total amount payable to Borrower and contains a breakdown indicating future amounts due and

- when due, current amounts due, amounts thirty (30) days past due, sixty (60) days past due, and ninety (90) or more days past due, and reflecting any credit adjustments, returns and allowances;
- B. An aging and listing of all accounts payable-trade prepared in a similar manner; and
 - C. A calculation of the Delinquency Rate in respect of all Low Score Leases and Low Value Leases forming part of the Borrowing Base and all Eligible Assets, as well as the balance of all amounts held in the Reserve Account that are represented or included in the Borrowing Base (such balance shall be set out for those in respect of Low Score Leases, Low Value Leases and those in respect of all Eligible Assets other than Low Score Leases and Low Value Leases), together with a calculation of all amounts required to be deposited therein pursuant to the Program Agreements;
- (iv) within 150 days of the end of the fiscal year of SGHS, the results of an audit conducted by a reputable and experienced accounting or audit firm in accordance with the Canadian Standards on Assurance Engagements 3416 and have such accounting or audit firm issue a Service Organization Control (SOC) 1 Type II Report and SOC 2 Type II Report (or substantially similar reports in the event such reports are no longer the industry standard), in respect of SGHS and its subsidiaries;
 - (v) promptly, from time to time, upon request of PTC, such other information concerning the financial condition, business and affairs of each Credit Party as shall be reasonably requested by PTC;
- (c) Notices. Each Credit Party shall promptly notify PTC in writing of the occurrence of any Event of Default or any act or event which, with the giving of notice or the passage of time, or both, would be such an Event of Default and of any legal action, proceeding or investigation threatened or instituted against such Credit Party that might have a material adverse effect upon the operations, financial condition or business of the Credit Parties or the Borrower's ability to repay the Loan, or PTC's security interest in the Leases or any of them, and from time to time, at PTC's request, each Credit Party will furnish to PTC a summary of the status of all such actions, proceedings or investigation;
- (d) Maintain Business. Each Credit Party shall maintain in full force and effect all material licenses, permits, authorizations, bonds, franchises and other rights necessary or desirable to the profitable conduct of its business, shall continue in, and limit its operations to, the same general lines of business as are presently conducted and shall comply with all applicable laws, orders, regulations and ordinances of all governmental authorities, in all material respects and shall maintain its corporate existence;
- (e) Mergers, Sale of Assets. Borrower will not, without PTC's prior written consent: (i) sell, lease, transfer or dispose of substantially all of its assets to another entity; or (ii) consolidate with or merge into another entity, permit any other entity to merge into it

- or consolidate with it, or permit any transfer of the ownership of, or power to control, Borrower;
- (f) **Dividends and Other Distributions.** Unless otherwise indicated herein, Borrower will not, without PTC's prior written consent, declare, order, pay or make, directly or indirectly any dividend or other distribution or other payment or loan other than as permitted in the Shareholders' Agreement;
- (g) **Indebtedness.** Borrower will not, without PTC's prior written consent,
- (i) incur, create, assume or permit to exist any obligation or indebtedness, except
- A. existing indebtedness disclosed on financial statements previously delivered to PTC;
- B. the Loan;
- C. other indebtedness and trade obligations and normal accruals in the ordinary course of business including indebtedness to Originators arising under Program Agreements;
- D. other indebtedness subordinated and postponed to repayment of Advances that are subject to a subordination and postponement agreement that is in form and content satisfactory to PTC;
- (ii) become liable, directly, or indirectly, as guarantor or otherwise, for any obligation of any other Person, except existing obligations of such kind previously disclosed to PTC in writing and other than the indebtedness set out in Section 8.1(g)(i) above, in excess of the amount set forth in Section 15;
- (h) **Lien.** Borrower will not, without PTC's prior written consent, agree for any Person, to have the benefit of or recourse to the Borrower's assets except to the extent fully subordinated to the security interest, claims, and liens of PTC under the Security Agreement;
- (i) **Insurance.** Each Credit Party shall maintain and keep in force insurance of the types and amounts customarily carried in its lines of business, including, without limitation, fire, public liability, product liability, property damage and workers' compensation, such insurance to be carried with companies and in amounts satisfactory to PTC, in its reasonable discretion, and each Credit Party shall deliver to PTC from time to time as PTC may request, schedules setting forth all insurance then in effect and copies of the policies;
- (j) **Debts.** Each Credit Party shall pay all permitted debts, legal awards, taxes, levies, penalties, interest and any other obligation, immediately upon such obligation coming due;
- (k) **Underwriting.** Borrower has and will undertake all appropriate underwriting of the Leases and is holding and will hold written proof of the same, on behalf of PTC; and

- (l) Environmental Matters. Each Credit Party will take all reasonable actions to prevent the occurrence of any material violation of any applicable environmental, health and safety statutes and regulations, or any order or judgment of any court with respect to environmental pollution or contamination, hazardous waste disposal or any other environmental matter and each Credit Party shall promptly give written notice to PTC of the following occurrences and of the steps being taken by such Credit Party, with respect thereto:
 - (i) notice that such Credit Party's operations are not in full compliance with the requirements of applicable environmental, health and safety statutes and regulations;
 - (ii) notice that such Credit Party is subject to a governmental investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste or substance into the environment; or
 - (iii) notice that any properties or assets of such Credit Party are subject to any environmental lien.
- (m) Monitoring. The Borrower shall monitor the level of complaints received by it arising from all Eligible Assets acquired by the Borrower and take commercially reasonable steps to address such complaints. If, at any given time, the level of unresolved complaints exceeds 1% (being the percentage of active Obligors with unresolved complaints to total active Obligors) or if the level of total complaints (whether resolved or not) exceeds 5% (as the percentage of active Obligors who have made a complaint to total active Obligors), such excess shall be reported to the next meeting of the directors of Crown Crest Capital Management Corp. for a discussion on required management actions in respect of the interests of the Obligors.

8.2 NON-PERFORMING RECEIVABLE

If any Eligible Asset, (other than a Lease Asset sold to PTC pursuant to the Sale and Servicing Agreement), becomes a Non-Performing Asset, the Borrower shall (i) notify PTC in writing of such event and (ii) repay any amount by which the aggregate outstanding amount of Advances hereunder exceeds the Borrower Base as a result of such Eligible Asset becoming a Non-Performing Asset.

9. EVENTS OF DEFAULT

9.1 EVENTS OF DEFAULT

The occurrence of one or more of the following events shall constitute an Event of Default under this Agreement:

- (a) The Borrower defaults in the repayment of any of the amounts payable hereunder, under the Note or any of the Loan Documents and such default is not remedied within 3 Business Days following notice from PTC;
- (b) There shall occur a material event of default under any of the Security Agreement, the other Loan Documents and if such event of default is capable of being cured or

- remedied, such event of default is not cured or remedied within 30 days following notice from PTC;
- (c) Any Credit Party fails to observe or perform any of the covenants, obligations (including payments) conditions and agreements on the part of the Credit Parties contained herein in any material respect and if such failure is capable of being cured or remedied, such failure is not cured or remedied within 30 days following notice from PTC;
 - (d) If any representation or warranty made by the Credit Parties to PTC contained herein or any other document proves to have been untrue in any material respect when made, and if capable of being remedied, is not so remedied within 30 days following notice from PTC;
 - (e) Any Credit Party shall be in default in the payment or performance of any material obligation under any indenture, contract, mortgage, law, deed of trust or other agreement or instrument to which such Credit Party is a party or by which it is bound, and if such default is capable of being cured or remedied, is not so cured or remedied within 30 days of notice from PTC;
 - (f) The dissolution, termination of existence, insolvency, bankruptcy or business failure of any Credit Party, as applicable, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of any Credit Party, or the commencement by or against any Credit Party of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of any Credit Party, or by or against any guarantor or surety for any Credit Party which is not dismissed within 45 days, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against any Credit Party;
 - (g) Any Credit Party commits or threatens in writing to commit an act of bankruptcy (as defined in the *Bankruptcy and Insolvency Act*);
 - (h) The institution by any Credit Party of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of any Credit Party;
 - (i) There shall exist any act, omission, event or undertaking which would, or would reasonably be expected to, singly or in the aggregate, have a materially adverse effect upon (a) the ability of the Credit Parties taken as a whole to perform their respective obligations under this Agreement or any other Loan Document in any material respect, (b) the legality, validity, binding effect, enforceability or admissibility into evidence of any Loan Document the ability of the Lender to enforce any rights or remedies under or in connection with any Loan Document or (c) the perfection or priority of the Security granted pursuant to the Security Agreement;
 - (j) PTC in good faith believes the prospect of repayment of the Loan or performance of the obligations hereunder is or is about to be impaired;

- (k) The average Delinquency Rate for any Reporting Period and the two immediately preceding Reporting Periods exceeds 4%; or
- (l) The amount on deposit in the Reserve Account is less than 50% of the aggregate required "Cash Reserve Amount" specified under each Program Agreement or as otherwise required under the terms of this Agreement.

10. REMEDIES OF PTC UPON DEFAULT

10.1 REMEDIES

At any time after any Event of Default has occurred, PTC may, without presentment, demand, protest or further notice of any kind (all of which are hereby expressly waived) and, notwithstanding the provisions contained in any other document or instrument executed or to be executed by the Credit Parties to PTC hereunder or contained in any other agreement, take any one or more of the following actions:

- (a) Declare the entire principal and any accrued interest on the Loan, together with all costs and expenses, to be immediately due and payable, and to enforce payment thereof by any means permitted by law or in equity;
- (b) Without accelerating payment, enforce the payment of sums of principal and interest then due (including any penalty interest or late payment charges);
- (c) Require the Credit Parties to take or refrain from taking any action which may be necessary to cure such Event of Default and to obtain affirmative or negative injunctions or restraining orders with respect thereto;
- (d) File suit for any sums owing or for damages; and
- (e) Exercise any other remedy or right provided in law or in equity or permitted under this Agreement, the Security Agreement or any other Loan Document, including without limitation, the activation of the Blocked Account Agreement in respect of the Collections Account.

10.2 REMEDIES CUMULATIVE

Any and all remedies conferred upon PTC shall be deemed cumulative with, and nonexclusive of any other remedy conferred hereby or by law, and PTC in the exercise of any one remedy shall not be precluded from the exercise of any other.

11. FEES AND EXPENSES

In addition to interest and principal as stated in the Note, Borrower shall pay all costs of closing the Loan and all expenses of PTC with respect thereto, including, but not limited to, inspection fees, due diligence costs and in-house and outside legal fees (including legal fees incurred by PTC subsequent to the closing of the Loan in connection with the enforcement of the Loan), filing fees and similar items. PTC will provide a reasonably detailed summary of such costs and expenses prior to the closing of the Loan. Said costs and expenses may, at PTC's option, be deducted from the disbursements of Loan proceeds hereunder. In addition to any liability Borrower may have under applicable law, Borrower shall pay PTC's

attorneys' fees and costs incurred in the collection of any indebtedness hereunder, or in enforcing this Agreement, whether or not suit is brought, and any attorneys' fees and costs incurred by PTC in any proceeding under bankruptcy law in order to collect any indebtedness hereunder or to preserve, protect or realize upon any security for such indebtedness.

12. WAIVER

Any waiver of any of the terms of this Agreement by PTC shall not be construed as a waiver of any other terms of this Agreement, and no waiver shall be effective unless made in writing. The failure of PTC to exercise any right with respect to the declaration of any default shall not be deemed or construed to constitute a waiver by, or to preclude PTC from exercising any right with respect to such default at a later date or with respect to any subsequent default by Borrower.

13. NOTICES

Any notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be given by personal delivery or by mailing the same, postage prepaid, to the address set forth in Section 15 hereof. Any such notice shall be deemed received for purposes of this Agreement upon delivery if given by personal delivery or three (3) days after the mailing thereof if given by mail. If either party desires to change the address to which notices are to be sent it shall do so in writing and deliver the same to the other party in accordance with the notice provisions set forth above.

14. MISCELLANEOUS

14.1 PARTIES

This Agreement is made solely among Borrower, the Guarantor and PTC, no other Person shall have any right of action hereunder. The parties expressly agree that no Person shall be a third-party beneficiary to this Agreement.

14.2 INDEMNITY

Borrower agrees to indemnify PTC and each of its directors, officers, employees, trustees, advisors and agents (each such Person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable legal fees (on a solicitor and own client basis), disbursements and other charges, incurred by or asserted or awarded against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, (iii) any claim made against the Borrower in any capacity, any Indemnitee or any Originator by any Obligor arising from, in connection with or relating to the performance of observance of any of the Borrower's or Originator's respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets, (iv) the failure of the Borrower in any capacity or any Originator to perform or observe any of its respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets or (v) any fine, penalty, sanction, order, or other liability imposed upon or determined against any of the Borrower, in any capacity, any Indemnitee or any Originator by any Governmental Authority in connection with or relating to any Lease Asset; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or wilful misconduct of any Indemnitee. The provisions of this Section 14.2 shall remain

operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of the Loan, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of PTC. All amounts due under this Section 14.2 shall be payable promptly after written demand therefor.

14.3 ENTIRE AGREEMENT

This Agreement including the Schedules attached hereto and by this reference incorporated herein, together with all other documents hereto, constitutes the entire agreement of the parties hereto and thereto, and no prior agreement or understanding with respect to the Loan, whether written or oral and including, but not limited to, any loan commitment issued by PTC to Borrower, shall be of any further force or effect, all such other prior agreements and commitments having been superseded in their entirety by this Agreement. The effect of this Agreement is to amend and restate the Third Amended Agreement in its entirety to read as set forth herein as of the Amendment Effective Date. Any reference to the Original Amended Agreement, the First Amended Agreement, the Second Amended Agreement or the Third Amended Agreement shall mean this Agreement (as may be further amended, amended and restated or supplemented from time to time).

14.4 ASSIGNMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns; provided, however, that neither this Agreement nor any rights or obligations hereunder shall be assignable by Borrower without the prior express written consent of PTC first having been obtained, and any purported assignment made in contravention hereof shall be void. Only after the occurrence and during the continuance of an Event of Default, PTC may assign any part of or all of the Loan and its rights and obligations hereunder in its sole discretion. PTC may participate all or any portion of the Loan to such other party or parties as PTC shall select provided that any disclosure of information provided to any participant shall be subject to Section 14.9.

14.5 GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without regard to the conflicts of laws rules of the Province of British Columbia).

14.6 TIME

Time is of the essence hereof.

14.7 SURVIVAL

The representations and warranties hereunder shall survive the closing of the Loan and PTC may enforce such representations and warranties at any time. The covenants of the Credit Parties shall survive the closing of the Loan and shall be performed fully and faithfully by the Credit Parties at all times. The indemnities of Borrower shall survive repayment of the Loan.

14.8 SEVERABILITY

If any term or provision of this Agreement or any other document, or the application thereof to any circumstance, shall be invalid, illegal or unenforceable to any extent, such term or provision shall not invalidate or render unenforceable any other term or provision of this Agreement or any other Loan Document, or the application of such term or provision to any other circumstance. To the extent

permitted by law, the parties hereto hereby waive any provision of law that renders any term or provision hereof invalid or unenforceable in any respect.

14.9 CONFIDENTIALITY

Each party hereto will maintain on a confidential basis (except as otherwise permitted hereunder or as required by applicable law) all information relating to the other party provided to it hereunder by the other parties; provided, however, that this Section shall not apply to any information which (i) was lawfully in the public domain at the time of communication to the first party, (ii) lawfully enters the public domain through no fault of the first party subsequent to the time of communication to the first party, (iii) was lawfully in possession of the first party free of any obligation of confidence at the time of communication to the first party, (iv) was lawfully communicated to the first party free of any obligation of confidence subsequent to the time of initial communication to the first party or (v) was lawfully communicated to any Person free from any obligation of confidence subsequent to the time of communication to the first party.

15. STATEMENT OF TERMS

- 15.1** Maximum Amount of Loan (Section 1): Aggregate of \$5,500,000 (Canadian) up to \$3,500,000 sublimit available for one time Greypoint Advance.
- 15.2** Number of Days Past Due (definition of Eligible Assets paragraph (s)): 5 days
- 15.3** Interest on the Loan (Section 2.5): BMO Prime + 5.3% P.A.
- 15.4** End Date (Section 2.8): May 31, 2023.
- 15.5** Persons Authorized to Requested Advances (Section 5.2): Lawrence Krimker, Luda Krimker, Liam Coates and such others as designated by notice in writing
- 15.6** Commitment Fee (Section 6.1(a)): 15 bps of Maximum Amount of Loan
- 15.7** Non-Utilization Fee (Section 6.1(b)): 32.5 bps of the undrawn amount
- 15.8** Inspection Fee (Section 6.1(c)): Reasonable charges billed by qualified contractors, along with their related expenses.
- 15.9** [intentionally omitted]
- 15.10** Annual Review/Renewal Fee (Section 6.1(e)): \$37,500
- 15.11** (i) Audited consolidated financial statements of SGHS due annually by January 31 for the immediately preceding fiscal year of SGHS; provided that for the 2022 calendar year, the audited consolidated financial statements of SGHS may be delivered on or before April 30, 2023.
(ii) Quarterly unaudited financial statements of the Credit Parties and SGHS due within 45 of each fiscal quarter.

(iii) Monthly unaudited financial statements of the Credit Parties and SGHS due within 30 days of month end.

(iv) SOC 1 Type I audit for the 2022 fiscal year to commence prior to the end of SGHS's Q1 2023, with a scope to be approved by PTC, acting reasonably.

15.12 Annual forecasts of the Credit Parties and SGHS to be received annually by January 31 of each year; provided that for the 2023 calendar year, the annual forecasts of the Credit Parties and SGHS may be delivered on or before April 30, 2023.

15.13 Maximum about of indebtedness, liabilities or other contingent obligations (Section 8.1(g)(ii)): \$25,000

15.14 Addresses for Notices (Section 13):

To Borrower:

Crown Crest Capital Management Corp.
2225 Sheppard Ave E Suite 800
Toronto, ON
M2J 5C2

Attention: President

To PTC:

People's Trust Company
1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention: President and CEO

With a copy to General Counsel and Executive VP & Chief Financial Officer

15.15 Interest on the Non-AML Compliant Portion of the Loan (Section 2.5): BMO Prime + 3.3% P.A.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**CROWN CREST FUNDING CORP., in its capacity as trustee of
CROWN CREST CAPITAL TRUST**

By:



Name: Lyudmila Krimker

Title: President

CROWN CREST CAPITAL MANAGEMENT CORP.

By:



Name: Lawrence Krimker

Title: President

PEOPLES TRUST COMPANY

By:

DocuSigned by:



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Name: Douglas Lee

Title: SVP Distribution

DocuSigned by:



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Bill Moffatt

C.O.O.

SCHEDULE A

Form of Advance Request

NOTICE OF ADVANCE REQUEST

[Date]

PTC Address

Attention: Contact person

E-MAIL: E-mail address

BORROWING NOTICE

We refer to the Fourth Amended and Restated Warehouse Line of Credit Agreement dated as of ♦ (the “**Agreement**”; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement), entered into by and among Crown Crest Funding Corp., in its capacity as trustee of Crown Crest Capital Trust, (“**Borrower**”), Crown Crest Capital Management Corp., and Peoples Trust Company (“**PTC**”).

We hereby instruct and authorize PTC to make Advances to our disbursement account(s), subject to and in accordance with the terms and provisions of the Agreement to the TD Bank account # [NUMBER], Transit # [NUMBER] and to charge Borrower’s loan account with each such Advance(s).

Borrower hereby request an advance (the “**Advance**”) be made as follows:

A. The date of Advance: ●

B. Type/amount of Advance: CAD: \$ Amount

Borrower hereby confirms as follows:

(a) Each of the representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof as if made on and as of such date, except as PTC may have otherwise agreed to herein or in a separate writing.

(b) No Event of Default has occurred as of the date hereof or will occur after the making of the Advance(s) requested hereunder.

(c) Each Credit Party is in compliance with each of the covenants set forth in Section 8.1 of the Agreement.

(d) The Advance(s) requested hereunder will not cause the aggregate principal amount of Advances outstanding under the Agreement to exceed the Borrowing Base or the Maximum Amount of the Loan.

DATED ●.

BORROWER: Crown Crest Capital Trust, by its trustee Crown Crest Funding Corp. by its authorized agent, Crown Crest Capital Management Corp.

By:

Name:

Title:

SCHEDULE B
BORROWING BASE CERTIFICATE

Date:	Warehouse	Purchase
WH		PCH
Eligible monthly rental rate		-\$
Borrowing base		-\$

[Attach spreadsheet]



	Rental Rate	Warehouse PV	Purchase PV
Amount in purchase facility	-	-	-
Amount in warehouse facility	-	-	-
Warehouse (current batch)	-	-	-

**This is Exhibit “D”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

Katherine Yurkovich

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A commissioner for taking affidavits

THIRD AMENDED AND RESTATED WAREHOUSE LINE OF CREDIT AGREEMENT

This Third Amended and Restated Warehouse Line of Credit Agreement is executed this January 1, 2023.

This Second Amended and Restated Agreement is entered into by and among Crown Crest Funding Corp. ("Trustee"), in its capacity as trustee of Crown Crest Capital Trust, a trust duly formed and validly subsisting trust under the laws of the Province of Ontario ("Borrower"), Crown Crest Capital Management Corp., a corporation incorporated under the laws of the Province of Ontario ("Guarantor") and Peoples Trust Company, a trust company existing under the laws of Canada ("PTC").

RECITALS:

- A. Borrower is a special purpose trust, formed to acquire and hold Leases for the lease and sale of Approved Equipment by the Originators;
- B. Borrower, Guarantor and PTC entered into a warehouse line of credit agreement made as of May 29, 2019 (the "Original Agreement"), which was amended by an amending agreement (collectively with the Original Agreement, the "Original Amended Agreement"), pursuant to which the Borrower obtained from PTC a demand line of credit ("Loan") on the terms and conditions set forth therein;
- C. Borrower, Guarantor and PTC amended and restated the terms of the Original Amended Agreement in an amended and restated warehouse line of credit agreement dated as of January 29, 2022 (the "First Amended Agreement"), which was further amended and restated (the "Second Amended Agreement") and
- D. Borrower, Guarantor and PTC wish to further amend and restate the Second Amended Agreement on the terms and conditions hereinafter set forth, with effect as of October 31, 2022 (the "Amendment Effective Date").

NOW, THEREFORE in consideration of the premises and the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 DEFINITIONS

"Advance" has the meaning ascribed to it in Section 2.1.

"Advance Request" means an advance request in the form of Schedule A.

"Adverse Claim" means a security interest or other lien, charge, encumbrance, right or claim, including any filing or registration made in respect thereof, of or through any Person (other than PTC).

"Agreement" shall mean this warehouse line of credit agreement and all schedules and exhibits hereto, as it may be amended, restated, supplemented, modified or replaced from time to time.

"Approved Equipment" shall mean storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment and boiler systems, sub-metering equipment as well as such other consumer equipment as may be agreed by the Borrower under Program Agreements.

"Approved Originator" means each of the following Originators:

- a) Simply Green Home Services Inc.;
- b) Alberta Water Home Comfort Services Inc.;
- c) HVAC Consulting Corporation;
- d) Ontario HVAC and Water Incorporated;
- e) Applied Energy Incorporated;
- f) Preferred Air Limited;
- g) 4140800 Canada Inc. carrying on business as Cool Heat Comfort;
- h) Penguin Heating & Cooling Incorporated;
- i) 9506888 Canada Incorporated, carrying on business as True North Home Solutions;
- j) National Green Home Services;
- k) Alberta Quality Home Comfort Incorporated;
- l) Canada Green Energy Ltd.; and
- m) Just Green Home Services;

together with any additional Originators approved in writing, where approval by PTC is subject to receipt by PTC at least five Business Days before any such approval is to be provided of all information required by PTC concerning the proposed additional Originator and PTC being satisfied, acting reasonably, with the results of its review of that information.

"BFI Facility" means the warehouse financing made available by Bridge Finance Inc. and/or its affiliates.

"Blocked Account Agreement" means the blocked account agreement between the Trustee, PTC and The Toronto-Dominion Bank, as the same may be amended, restated, supplemented or replaced from time to time.

"BMO Prime" means, at any time, the posted "prime rate" of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

"Borrowing Base" means at any time, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under Eligible Assets then owned by the Borrower, discounted to such date at the discount rate established pursuant to Section 1.2.

"Borrowing Base Certificate" means a certified calculation of the Borrowing Base in the form of Schedule B.

"Business Day" means any day that is not a Saturday, Sunday or other day to which commercial banks in Vancouver, British Columbia or Toronto, Ontario are authorized or required by applicable law to remain closed.

"Charged-Off Asset" means any Lease Asset (i) for which the Borrower has become aware that an Insolvency Event has occurred in respect of the related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Borrower in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease Asset would be charged-off as uncollectible upon the Borrower becoming aware that an Insolvency Event had occurred in respect of the related Obligor.

"Collections" means, without duplication (i) in respect of any Eligible Asset, all cash collections and other cash proceeds in respect thereof and of the related rights and Leases and (ii) the net proceeds of any disposition of the related Eligible Asset.

"Collections Account" means the account established and maintained in the name of the Borrower as the account owner at The Toronto-Dominion Bank (Branch ID: 31382, Account Number: 5237256) or such other account as is designated by notice to PTC as the Collections Account for the purposes hereof, which account shall at all times be subject to a blocked account agreement in form and substance acceptable to PTC.

"Credit and Collection Policies" means the Borrower's credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Borrower's operating procedures manual, which for greater certainty, has been reviewed and approved by PTC.

"Credit Parties" means, collectively, the Borrower, the Guarantor and the Trustee, and "Credit Party" means any of them.

"Delinquency Rate" means, for any Reporting Period, the sum of the Outstanding Balances of Eligible Assets that are Delinquent Assets at the end of such Reporting Period, divided by the Outstanding Balance of all Eligible Assets at the end of such Reporting Period.

"Delinquency Rate Reimbursement" means an administration fee equal to \$2500, which for greater certainty, is not and shall not be deemed to be a penalty in any way, and represents costs incurred by PTC with respect to the monitoring, analyzing and reporting on either of the Excess LS Delinquencies or the Excess LV Delinquencies, as such terms are defined in Section 2.5.

“Delinquent Asset” means:

- (a) if the Lease Asset is a not a RNC Lease, any amount payable thereunder is more than 30 days past due; or
- (b) if the Lease Asset is a RNC Lease, the RNC Lease Builder has failed or fails to take all steps necessary for the RNC Lease Homeowner to assume all obligations pursuant to the RNC Lease concurrently with the closing of the purchase and sale of the building in which the Approved Equipment under the RNC Lease has been installed; or
- (c) if the Lease Asset is a RNC Lease, either (i) more than 90 days have elapsed since the date on which the RNC Lease Homeowner assumed all obligations under the RNC Lease without the RNC Homeowner making the first payment required under the RNC Lease or, (ii) after the 90-day period from the date the RNC Homeowner assumed all obligations under the RNC has elapsed, any amount payable under the RNC Lease is more than 30 days past due.

“Eligible Asset” means any Lease Asset:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Borrower; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any pre-condition which has not been fulfilled;
- (b) which is not a Charged-Off Asset;
- (c) that has a fair market value (based on monthly payments) that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Borrower), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);

- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Borrower and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Borrower or the Originator is not in default in the performance of any of the covenants of the Borrower or the Originator thereunder;
- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;
- (i) in which the perfection of the Borrower's rights complies with the requirements of the Credit and Collection Policies in all material respects, it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Borrower's rights;
- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Lease and such origination was consistent with the Credit and Collection Policies) and there are no such proceedings pending, or to the best of the Borrower's knowledge, threatened against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by PTC, acting reasonably;
- (m) in respect of which the Borrower is the legal and beneficial owner of the Lease Asset, the related Leases and Rights free and clear of any Adverse Claim other than as contemplated hereunder;
- (n) that has not been satisfied, subordinated, waived or rescinded;
- (o) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (p) that was generated in the ordinary course of business;
- (q) except in the case of Low Value Leases, for which all filings or recordings with respect to the Borrower's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests including any further filings, recordings or renewals thereof, have been effected by the Borrower ("Lien Registration"); provided, however, if the Lease Asset is a Low Value Lease in respect of which there is no Lien Registration, the Outstanding Balance of such Lease Asset, together with the

Outstanding Balance of all Eligible Assets in respect of which there are no Lien Registrations, does not exceed 35% of the Outstanding Balance of all Eligible Assets at such time;

(r) in respect of which there is a parts and labour warranty on the related Leased Equipment as issued by a third party insurer that is approved in writing by PTC (acting reasonably) or the Borrower has otherwise made arrangements with a third party (other than the Obligor or the Borrower) to ensure that any repair and servicing of the Leased Equipment is conducted and completed as required from time to time;

(s) in respect of which the related Originator Reserve required under the terms of the related Program Agreement has been deposited to the Reserve Account and, (i) in the case of a Low Value Lease in respect of which there is no Lien Registration or no measured credit score for the related Obligor, the Originator Reserve has been increased by an additional 1% of the Outstanding Balance of such Lease Asset, and (ii) in the case of a Lease Asset that does not have a parts and labour warranty on the related Leased Equipment, on such warranty terms and with such insurers as may be approved by PTC in writing (acting reasonably), the Originator Reserve has been increased by an additional 0.25% of the Outstanding Balance of such Lease Asset; provided, however, that in no event shall the Originator Reserve be required to exceed 4% of the Outstanding Balance of a Lease Asset in order for the Lease Asset to qualify as an Eligible Lease;

(t) that is not a Non-Performing Asset;

(u) in respect of which the related Originator is an Approved Originator;

(v) which is not a Lease Asset specifically excluded by the Borrower in a Borrowing Base Certificate, provided that the Borrower may not exclude any Lease Assets as contemplated hereunder if the aggregate amount of the Advance then outstanding exceeds or would exceed the Borrowing Base at such time;

(w) the related Obligor's credit score at the time of origination was not less than 500, provided that the related Obligor may have no measured credit score in respect of a Low Value Lease if evidence has been obtained of the related Obligor's ownership of the residential property at which the related Leased Equipment has been installed;

(x) the Lease Asset is not a Non-AML-Compliant Lease Asset; and

(y) if the Lease Asset is a RNC Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are RNC Leases, does not exceed \$10 million.

"End Date" shall have the meaning set forth in Section 2.1.

"Escalation Amount" means, in respect of a Lease, all monthly amounts payable as rental payments in excess of the Rental Amount.

"GAAP" means at any particular time with respect to any Credit Party, generally accepted accounting principles as in effect at such time in Canada, consistently applied.

"Governmental Authority" means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantee" has the meaning ascribed to it in Section 4.1.

"HVAC" has the meaning ascribed to it in the definition of Approved Equipment.

"Indemnitee" has the meaning ascribed to it in Section 14.2.

"Insolvency Event" means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up, reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days, or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

"Lease" means a lease, rental agreement or conditional sales contract or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Originator.

"Lease Asset" means a Lease together with the related Rights.

"Leased Equipment" means in respect of a Lease, the equipment leased to the related Obligor hereunder, including any replacements thereof under the terms of the Lease.

"Loan" has the meaning ascribed to it in Recital B.

"Loan Documents" has the meaning ascribed to it in Section 5.1(a).

"Low Score Leases" means Lease Assets in respect of which the beacon score of the related Obligor is less than 600 on the date such Lease Asset is originated.

"Low Value Lease" means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the monthly rental payment (excluding taxes) is less than \$45 or a tankless water heater where the monthly rental payment (excluding taxes) is less than \$65.

"Maximum Amount of Loan" means the amount set forth in Section 15.

"Non-AML-Compliant Eligible Asset" means a Non-AML-Compliant Lease Asset that meets all of the requirements to be treated as an Eligible Asset under this Agreement other than under paragraph (z) of the definition of Eligible Asset.

"Non-AML-Compliant Eligible Asset Advance" means an Advance drawn pursuant to an Advance Request that specifies that the Advance is "to be used for Non-AML-Compliant Eligible Assets".

"Non-AML-Compliant Lease Asset" means a Lease Asset that does not comply with the "know your customer" requirements imposed by any anti-money laundering or anti-terrorist financing legislation applicable to PTC, as determined by PTC in its sole discretion.

"Non-Performing Asset" means any Lease Asset that is more than 90 days past due.

"Note" has the meaning ascribed to it in Section 2.4.

"Obligor" means in respect of any Lease Asset, the Person or Persons obligated to make payments thereunder and, in the case of a RNC Lease, includes the agent of that Person or Persons.

"Originators" means Approved Originators and such other Persons who become parties to Program Agreements with the Borrower from time to time.

"Originator Reserves" means the cash reserves held by the Borrower under the Program Agreements and available to be applied toward losses or other shortfalls suffered in respect of the Lease Assets acquired under the related Program Agreement.

"Outstanding Balance" means at any time in respect of a Lease Asset, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under such Lease Assets, discounted to such date at the discount rate established pursuant to Section 1.2.

"Person" includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

"Program Agreements" means the program agreements entered into by the Borrower with each Originator pursuant to which the Borrower acquires Leases from time to time.

"Records" means, in respect of any Lease Asset, all contracts (including those evidencing such Lease Asset), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Borrower, hard copies of all data maintained in databases of the Borrower, tapes and disks) maintained by or on behalf of the Borrower in respect of the Lease Assets and the related Obligor.

"Rental Amount" means in respect of a Lease, the original regularly-scheduled monthly rental payment amount of the Obligor thereunder (excluding any Escalation Amount).

“Reporting Period” means a calendar month.

“Reserve Account” means the account established and maintained in the name of PTC as the account owner at The Toronto-Dominion Bank (account number is 01020-5516580) or such other account as is designated by notice to the Borrower as the Reserve Account for the purposes hereof.

“Rights” means, in respect of any Lease Asset, the following:

- (a) all rights and benefits accruing to the Borrower under such Lease Asset, including all right, title and interest in and to the related receivables;
- (b) all of the Borrower’s right, title and interest in and to the related Leased Equipment;
- (c) all of the Borrower’s right, title and interest in the Originator Reserves held under the Program Agreements in respect of the Lease Asset and available to be applied toward the payment of any Lease Asset under the terms of the related Program Agreement;
- (d) all right in or to payments (including both proceeds and, to the extent the Borrower has any rights therein, premium refunds) under any insurance policies maintained by the related Obligor pursuant to the terms of such Lease Asset or by the Borrower in respect of such Lease Asset;
- (e) all claims, demands, actions, damages and indemnities owing to the Borrower under such Lease Asset;
- (f) the right of the Borrower to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease Asset and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;
- (g) all of the right, title and interest of the Borrower in, to and under all prepayments, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor’s obligations in respect of the Lease Asset, whether pursuant to the Lease Asset or otherwise;
- (h) the related Records; and
- (i) all proceeds of or relating to any of the foregoing.

“RNC Lease” means a Lease Asset for which the original Obligor under the applicable Lease is a RNC Lease Builder.

“RNC Lease Builder” means a builder or developer who does not intend to occupy the building in which the Approved Equipment under a RNC Lease is to be installed.

“RNC Lease Homeowner” means the first Obligor or Obligors under a RNC Lease who is not a RNC Lease Builder.

“Sale and Servicing Agreement” means the sale and servicing agreement dated December 1, 2016 entered into between the Borrower, PTC and the Guarantor, as amended, restated, supplemented, replaced or otherwise modified from time to time.

“Scheduled Payment” means, in respect of a Lease Asset, the aggregate of the Rental Payment and any Escalation Payment payable by the Obligor thereunder during a term not exceeding the lesser of (i) the term of the Receivable, (ii) 180 months, and (iii) the remainder of the Prescribed Term, as such term is defined in the related Program Agreement.

“Security” has the meaning ascribed to it in Section 3.1.

“Security Agreement” means the general security agreement between the Borrower and PTC, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time.

“SGHS” means Simply Green Home Services Corp. (formerly Simply Green Home Services Inc.)

“Shareholders’ Agreement” means the unanimous shareholders’ agreement among the Guarantor, SGHS and PTC, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Subordinated Debt” means subordinated debt incurred by the Borrower from time to time to finance or refinance the acquisition of Leases, which debt may be secured but shall be subordinated and postponed to the Loan.

“Trustee” means Crown Crest Funding Corp.

1.2 DISCOUNT RATE

Any reference to a “discount rate” in the definition of “Borrowing Base” or “Outstanding Balance” means a discount rate equal to (A) 4% per annum with respect to any Lease originated by an Originator prior to January 2, 2023 and (B) 7.5% per annum with respect to any Lease originated by an Originator on or after January 2, 2023, provided that PTC may further adjust the discount rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of the Advance to be made after such date. An increase in the discount rate may not exceed the net increase in BMO Prime during the calendar year during which the notice is given.

1.3 AMENDMENTS TO DEFINITION OF ELIGIBLE ASSET

If, at any time, PTC determines, acting reasonably, that there has been a material change in the information contained in a Borrowing Base Certificate from the information contained in any previous Borrowing Base Certificate, then PTC may elect by notice in writing to the Borrower and the Guarantor to amend the definition of Eligible Asset so that it contains one or more of the following additional requirements:

- (a) if the Lease Asset is a Low Score Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Score Leases, does not exceed 5% of the Outstanding Balance of all Lease Assets at such time; and
- (b) if the Lease Asset is a Low Value Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Value Leases, does not exceed 35% of the Outstanding Balance of all Leased Assets at such time;

and the definition of Eligible Asset will be deemed to have been amended from the time of delivery of notice of any such election by PTC to the Borrower and the Guarantor.

2. LOAN

2.1 LOAN

Subject to the terms and conditions contained in this Agreement and in the other documents, instruments and agreements executed in connection with the Loan, including without limitation, the Security Agreement and the other Loan Documents, PTC will establish for the Borrower the Loan as a demand line of credit against which PTC will make a single one-time advance (the "Advance") for the purpose of repaying the BFI Facility. Subject to the terms hereof, including without limitation Section 2.2, the Borrower shall have the right to obtain and repay the Advance. At no time shall (i) the unpaid principal balance of the Loan exceed the lesser of (a) the Borrowing Base, and (b) the Maximum Amount of Loan . The Advance of the Loan shall be made on or before the date set forth in Section 2.8 ("End Date").

2.2 ADVANCE

Subject to the terms and conditions hereof, the Advance of the Loan will be limited to a single one-time Advance on or around May 29, 2019 to repay a portion of the total amount required to repay in full the BFI Facility, by delivery on May 29, 2019 of an Advance Request together with a current Borrowing Base Certificate. For the purposes of this Advance only, it will not be a requirement that the Eligible Assets used in calculating the Borrowing Base for the Borrowing Base Certificate are Lease Assets for which the related Originator is an Approved Originator.

The aggregate principal amount of the Advance shall not exceed the Borrowing Base or the Maximum Amount of Loan.

Cash reserves held by the Borrower in accordance with the Program Agreements shall be held in the Reserve Account and applied by the Borrower to shortfalls in respect of Leases as provided under the related Program Agreements. Without limiting the foregoing, the Borrower shall ensure that the amount on deposit in the Reserve Account shall be no less than 4% of the Outstanding Balances related to all Eligible Assets.

2.3 NON-AML-COMPLIANT ELIGIBLE ASSETS

All requirements and obligations imposed on the Borrower pursuant to this Agreement will be met and performed by the Borrower separately for:

- (a) all Eligible Assets; and
- (b) all Non-AML-Compliant Eligible Assets;

and, in meeting all such requirements and obligations with respect to any Non-AML-Compliant Eligible Assets, all references in this Agreement to "Eligible Assets" will be deemed to be references to "Non-AML-Compliant Eligible Assets".

As an example, where, pursuant to Section 8.1(b)(iii)(C) of this Agreement, the Borrower covenants to provide a Borrowing Base Certificate that includes a calculation of the Delinquency Rate, the Borrower shall provide one such Borrowing Base Certificate where the calculation of the Delinquency Rate includes only Eligible Assets, and one such Borrowing Base Certificate where the calculation of the Delinquency Rate includes only Non-AML-Compliant Eligible Assets.

2.4 NOTE

The Loan shall be evidenced by a promissory note ("Note") dated May 29, 2019 in a form prepared and approved by PTC in the Maximum Amount of Loan, payable in accordance with the terms thereof.

2.5 INTEREST AND PAYMENTS

Subject to the following sentence, Interest on the principal amounts of the Advance outstanding from time to time shall be the per annum rate specified in Section 15 as the "Interest on the Loan" (the "Interest Rate") as adjusted below and should such rates of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law. Interest on the principal amounts of the Non-AML-Compliant Eligible Asset Advance outstanding from time to time shall be the per annum rate specified in Section 15 as the "Interest on the Non-AML Compliant Portion of the Loan" (the "Non-AML-Compliant Interest Rate") as adjusted below and should such rates of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law.

Subject to the following sentence, Interest on the principal amount of the Advance outstanding from time to time will be calculated and compounded monthly, not in advance, at the Interest Rate, both before and after maturity and default, and with interest on overdue interest at the same rate, until payment in full has been made of the principal amount and all accrued interest. Interest on the principal amount of the Non-AML-Compliant Eligible Asset Advance outstanding from time to time will be calculated and compounded monthly, not in advance, at the Non-AML-Compliant Interest Rate, both before and after maturity and default, and with interest on overdue interest at the same rate, until payment in full has been made of the principal amount and all accrued interest.

All interest hereunder shall be payable for the actual number of days elapsed (including the first day and the last day).

If the Delinquency Rate for the Low Score Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 8% (the amount of any excess being the "Excess LS Delinquencies"), a Delinquency Rate Reimbursement (an "Excess LS Delinquencies Reimbursement") shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 8%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LS Delinquencies.

If the Delinquency Rate for the Low Value Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 10% (the amount of any excess being the "Excess LV Delinquencies"), a Delinquency Rate Reimbursement (an "Excess LV Delinquencies Reimbursement") shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 10%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LV Delinquencies.

For greater certainty, both an Excess LS Delinquencies Reimbursement and an Excess LV Delinquencies Reimbursement may be payable by the Borrower to PTC for the same Reporting Period.

Accrued interest on the Loan shall be payable in arrears on the first (1st) day of each month and upon termination of the commitments hereunder (including upon the occurrence of the End Date).

The Borrower, Guarantor and PTC confirm that the initial cash payment in respect of any Eligible Asset purchased by PTC pursuant to the Sale and Servicing Agreement prior to May 29, 2019 has been deemed to have been paid to the Borrower in accordance with the Sale and Servicing Agreement and then repaid to PTC and applied toward the repayment of principal owing on the Loan in accordance with this Agreement. For greater certainty, this paragraph shall not apply to any Non-AML-Compliant Eligible Assets.

The Borrower shall pay to PTC on the End Date or other date of maturity of the Note or Loan, whether by acceleration or otherwise, the aggregate principal amount of the Advance outstanding on such date.

All payments and prepayments of principal, interest and fees under this Agreement and the Note and Loan shall be made to PTC prior to 12:00 p.m. (noon), Pacific time, in immediately available funds and for the ratable benefit of PTC.

2.6 PREPAYMENTS

If for any reason the aggregate principal amount of the Loan outstanding at any time shall exceed the lesser of (i) the Maximum Amount of the Loan and (ii) the Borrowing Base at such time, the Borrower, without notice or demand, shall immediately make a principal payment to PTC in an amount equal to such excess plus accrued and unpaid interest thereon. If any fine, penalty, sanction, order or other liability is imposed upon or determined against any of the Borrower, PTC or any Originator in connection with or relating to any Eligible Asset the purchase of which was financed by an Advance hereunder, such Lease Asset shall cease to be an Eligible Asset and the Borrower shall immediately, make a principal payment to PTC in an amount equal to the Advance made in connection with the relevant Eligible Asset. The Borrower may from time to time, prepay all or part of the outstanding principal balance of the Loan provided that in the event of any prepayment prior to the expiration of ninety (90) days from the date hereof, the Borrower shall pay to PTC an amount equal to the interest that would otherwise have been payable under the Note from the date of the prepayment until the end of such ninety (90) days.

2.7 REMITTANCE ACCOUNT.

The Collections received by Borrower from its collection of Leases, excluding Leases purchased under the Sale and Servicing Agreement, which have been assigned, by way of security pursuant to Section 3.1, shall be remitted to the Collections Account and subject to the terms of the Blocked Account Agreement.

2.8 END DATE / RENEWAL

The Loans shall mature and be repayable on the End Date specified in Section 15. Notwithstanding the foregoing, the End Date may be extended by PTC for an additional 6 months by written notice to the Borrower, such notice to be sent no earlier than 6 months prior to the scheduled End Date and no later than 4 months prior to the scheduled End Date. Upon such extension, the End Date shall be deemed to be such date 6 months following the scheduled End Date for all purposes hereunder until further extended by PTC pursuant to this Section 2.8.

3. SECURITY

3.1 Security

As security for the payment of the Note, the Loan, and all other liabilities and obligations of Borrower to PTC, now existing or hereafter created, Borrower shall grant a security interest in and set over to PTC, all of the Borrower's present and after-acquired personal property, including without limitation, all of the Borrower's rights, titles and interests in all of Borrower's Lease Assets ("Security"); and any cash flow and proceeds therefrom. Such assignment, pledge and security interest shall be granted by way of the Security Agreement and such other

instruments or specific assignments, by way of security, and shall be registered and perfected under applicable personal property security legislation in all required jurisdictions, in each case, as determined by PTC in its sole discretion.

3.2 RESTRICTIONS

Except as set out herein, the Borrower may not grant or assign, pledge or set over any of its rights, titles or interests in a Lease to any third party. Borrower shall be free to sell, assign or convey any Eligible Assets to any Person provided that (i) the Borrower offers to sell, assign or convey any Eligible Assets firstly to PTC, on substantially similar terms (ii) PTC declines to purchase such Eligible Assets on such terms, and following any such sale, assignment and conveyance, (iii) the aggregate amount of the Advance shall not exceed the Borrowing Base at any time and (iv) the Borrower shall within 15 days of such sale, assignment and conveyance either (A) deliver to PTC an amount equal to 100% of the net proceeds of such sale, assignment and conveyance as a prepayment of the amounts outstanding under the Advance or (B) use such net proceeds to purchase and refinance additional Eligible Assets. For greater certainty, the right of first refusal granted to PTC in paragraphs (i) and (ii) of this Section 3.2 will not apply to any proposed sale, assignment or conveyance of any Non-AML-Compliant Eligible Assets, and the remaining conditions in this Section 3.2 will apply to any such sale, assignment or conveyance of any Non-AML-Compliant Eligible Assets

3.3 ADDITIONAL DOCUMENTS

Borrower or the Trustee as applicable shall execute from time to time upon the request of PTC, a standard Blocked Account Agreement in respect of the Collections Account and the Reserve Account and such financing statements or other documents as reasonably required by PTC to perfect or continue PTC's rights, titles and interests in the Leases. For greater certainty, such Blocked Account Agreement shall permit Borrower to withdraw funds from the Collections Account and the Reserve Account unless and until "activated" by PTC on the occurrence of an Event of Default.

4. GUARANTEE

4.1 GUARANTOR

Guarantor shall grant and execute in favour of PTC a guarantee (the "Guarantee") whereby the Guarantor shall irrevocably and unconditionally guarantee to PTC the due and punctual payment in full of the Note, Loan, and all other liabilities and obligations of Borrower to PTC hereunder when the same shall become due, and such Guarantee shall be in form and content satisfactory to PTC in its sole discretion.

5. CONDITIONS PRECEDENT

5.1 CONDITIONS PRECEDENT TO ADVANCE

In addition to the conditions set out in Section 2.2, PTC shall have no obligation to make any Advance until the conditions set forth in the following subparagraphs and elsewhere herein have been satisfied at the expense of the Borrower, as determined by PTC in its sole and absolute discretion:

- (a) each Credit Party shall have delivered, or cause to be delivered, to PTC, in form and substance satisfactory to PTC, this Agreement, the Note, the Security Agreement, the Blocked Account Agreement and the Guarantee, and such other documents, instruments, financing statements, certificates, legal opinions, and agreements as PTC may reasonably request (collectively, the "Loan Documents");
- (b) each Credit Party shall have delivered, or cause to be delivered, to PTC, in form and substance satisfactory to PTC in its sole and absolute discretion certified copies of resolutions of such Credit Party's trustees, directors or partners, as the case may be, authorizing such Credit Party to execute, deliver, honour and perform the Agreement, the Note, the Security Agreement and a certificate of incumbency certifying the names and signatures of the trustees, officers or partners, as the case may be, of each Credit Party authorized to sign the Loan Documents;
- (c) All of PTC's liens and security interests securing the Note, Loan, and all other liabilities and obligations of Borrower to PTC shall have been validly perfected and be representative of a first charge over the Security;
- (d) PTC shall have received evidence of, or undertakings from the Borrower's solicitors in relation to, the discharge of any indebtedness or Adverse Claims, except as permitted in accordance with Section 8.1(g), as determined satisfactory in the reasonably exercised opinion of PTC's solicitors;
- (e) No material adverse change shall have occurred in the business or financial condition of Borrower since the date of the latest financial statements given to PTC by on behalf of Borrower;
- (f) Each of the warranties and representations made by Borrower in this Agreement shall be true and correct as of the date of each Advance; and
- (g) Borrower shall have kept and performed the various covenants, obligations and agreements on its part to be kept and performed under this Agreement and no Event of Default, or act or event which with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder shall have occurred and be continuing.

5.2 REQUEST FOR ADVANCE

The Advance may be made by PTC upon receipt of an Advance Request (including a calculation of the current Borrowing Base) executed by the Persons named in Section 15 hereof, either one acting alone, who are authorized to request the Advance and direct disposition of any such Advance, for and on behalf of the Borrower, until written notice of the revocation of such authority is received from Borrower by PTC. Each request by Borrower for an Advance shall

constitute a reaffirmation, as of the date of such request, of all of the representations and warranties of Borrower contained in this Agreement.

5.3 NO WAIVER

No Advance, or any waiver of a condition in connection therewith, shall constitute a waiver of any of the conditions to the Advance.

6. FEES

6.1 FEES

As additional consideration for PTC's commitments herein, Borrower agrees to pay to PTC the following fees, which shall be fully earned and non-refundable to Borrower, shall be held and retained by PTC as its sole property and shall not be applied to any payments due under the Loan Documents or Note other than this Section 6:

- (a) a commitment fee in the amount set forth in Section 15 hereof, payable on or before the date hereof and in each instance where the Maximum Amount of Loan is increased or renewed for a new term;
- (b) a non-utilization fee computed at the rate per annum set forth in Section 15 hereof on the unused portion of the Maximum Amount of Loan and payable quarterly in arrears to be calculated from the Amendment Effective Date, where the phrase 'unused portion of the Maximum Amount of Loan' means the average difference between (i) the Maximum Amount of Loan and (ii) the outstanding principal balance of the Loan on each day during such period; and
- (c) an inspection fee in the amount per inspection set forth in Section 15 hereof, payable within ten (10) days of Borrower being billed therefor by PTC.
- (d) an annual review and renewal fee in the amount set forth in Section 15 hereof, payable each year on May 29 so long as this Agreement has not been terminated.

7. REPRESENTATIONS AND WARRANTIES

7.1 REPRESENTATIONS AND WARRANTIES

Each Credit Party confirms that it made the following representations and warranties to PTC as of the date hereof and as of the Amendment Effective Date, which representations and warranties survived the execution of this Agreement:

- (a) Legal Status. Borrower is a trust that has been duly formed and is validly existing under the laws of Ontario and is qualified to transact business in Ontario and in every other jurisdiction in which the nature of its business requires such qualifications; and each of the Trustee and the Guarantor is a corporation that has been duly organized and is validly existing under the laws of Ontario and is qualified to transact business, and has made all filings and is in good standing, in Ontario and in every other jurisdiction in which the nature of its business requires such qualifications;

- (b) No Violation. The making and performance by the Credit Parties of the Loan Documents do not violate any provision of law, nor any provision of such Credit Party's formation documents, including, without limitation, articles of incorporation or any partnership agreement or trust indenture, or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which such Credit Party is a party or by which such Credit Party may be bound;
- (c) Authorization. This Agreement and the other Loan Documents have been duly authorized, executed and delivered, and are legal, valid and binding agreements of the Credit Parties who are party thereto enforceable against such Credit Party in accordance with their terms, except as enforceability may be limited by bankruptcy, solvency, reorganization, moratorium or similar laws effecting creditors' rights generally and by general principles of equity;
- (d) Financial Statements. All financial statements and reports (including Borrowing Base Certificates) that have heretofore been presented to PTC in conjunction with the transaction which is the subject of this Agreement, have been prepared in conformity with GAAP consistently applied, fairly and accurately present the financial condition and income of the subject thereof, as of the date given, and neither contain any untrue statement of a material fact nor fail to state a material fact required in order to make such financial statements not misleading. Since the date of such financial statements, there has been no adverse material change in the financial condition or operations of the subject thereof;
- (e) Consent and Licences. No consent, approval or authorization of, or registration or filing with, any governmental body or authority, or any other Person, firm or entity not a party hereto, is or will be required as a condition to the valid execution, delivery, performance or enforceability of documents contemplated herein, or the transactions contemplated hereby or thereby, or to the conduct of the business of the Borrower;
- (f) Litigation. There is no material litigation either pending or, to the best of its knowledge, threatened against the Credit Parties before any court or administrative agency, or before any arbitrator, which may have a material adverse effect on the assets, business, financial conditions or operations of the Credit Parties, or which would prevent or hinder the performance of the obligations of the Credit Parties under the Agreement, and, furthermore, each Credit Party has not violated any law in any material respect and, to the best of its knowledge, is not the subject of any investigation by a governmental agency that could reasonably be expected to result in an indictment or a forfeiture or seizure of any of its assets; and
- (g) Environmental Matters. Each Credit Party, to the best of its knowledge after due investigation, is in compliance in all material respects with all applicable environmental, health and safety statutes and regulations and each Credit Party does not have any material contingent liability in connection with any improper treatment, storage, disposal or release into the environment of any hazardous or toxic waste or substance.

8. COVENANTS OF THE CREDIT PARTIES

8.1 COVENANTS

Until the payment in full of the Loan and until the fulfillment of all of its obligations hereunder, each Credit Party shall comply with the following covenants:

(a) Books and Records. Each Credit Party shall at all times keep accurate and complete books, records and accounts of all of such Credit Party's business activities, prepared in accordance with GAAP consistently applied, and each Credit Party shall permit PTC, or any Persons designated by PTC, at any reasonable time, to inspect, audit and examine such books, records and accounts and to make copies or extracts thereof;

(b) Statements and Reports. Each Credit Party shall furnish to PTC:

(i)

(A) within the number of days set forth in Section 15 hereof after the end of each fiscal year of Simply Green Home Services Corp. ("SGHS"), consolidated financial statements of SGHS, which shall include a balance sheet, an income statement showing the results of operations for such a fiscal year and a change in financial position statement for such fiscal year, together, in each case, with the comparable figures for the immediately preceding fiscal year, all in reasonable detail and prepared in accordance with GAAP, consistently applied, which statements shall contain the certification requirements set forth in Section 15 hereof;

(B) within the number of days set forth in Section 15 hereof after the end of each of the fiscal periods of the Borrower (and any other party listed in section 15) set forth in Section 15 hereof, financial reports of the Borrower (and any other party listed in section 15), which shall include a balance sheet, an income statement showing the results of operations for such fiscal period and a change in financial position statement for such fiscal period, together, in each case, with the comparable figures for the immediately preceding corresponding fiscal period, all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to section 15 hereof;

(C) within the number of days set forth in Section 15 hereof after the end of each of month of the Borrower (and any other party listed in section 15) set forth in Section 15 hereof, financial reports of the Borrower (and any other party listed in section 15), all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to section 15 hereof;

(ii) within the number of days set forth in Section 15 hereof prior to the end of each fiscal year of such Credit Party (and any other party listed in section 15), a detailed forecast for the following fiscal year, including budgeted cash flows, budgeted income

statement and project balance sheet, all in reasonable detail and accompanied with such backup as PTC may reasonably require;

(iii) within ten (10) days after the end of each month a Borrowing Base Certificate which shall include the following:

(A) An aging and listing of all accounts receivable prepared in accordance with GAAP which itemizes each account debtor, including each Lease, by name and addresses and which states the total amount payable to Borrower and contains a breakdown indicating future amounts due and when due, current amounts due, amounts thirty (30) days past due, sixty (60) days past due, and ninety (90) or more days past due, and reflecting any credit adjustments, returns and allowances;

(B) An aging and listing of all accounts payable–trade prepared in a similar manner; and

(c) A calculation of the Delinquency Rate in respect of all Low Score Leases and Low Value Leases forming part of the Borrowing Base and all Eligible Assets, as well as the balance of all amounts held in the Reserve Account that are represented or included in the Borrowing Base (such balance shall be set out for those in respect of Low Score Leases, Low Value Leases and those in respect of all Eligible Assets other than Low Score Leases and Low Value Leases), together with a calculation of all amounts required to be deposited therein pursuant to the Program Agreements;

(iv) within 150 days of the end of the fiscal year of SGHS, the results of an audit conducted by a reputable and experienced accounting or audit firm in accordance with the Canadian Standards on Assurance Engagements 3416 and have such accounting or audit firm issue a Service Organization Control (SOC) 1 Type II Report and SOC 2 Type II Report (or substantially similar reports in the event such reports are no longer the industry standard), in respect of SGHS and its subsidiaries;

(v) promptly, from time to time, upon request of PTC, such other information concerning the financial condition, business and affairs of each Credit Party as shall be reasonably requested by PTC;

(c) Notices. Each Credit Party shall promptly notify PTC in writing of the occurrence of any Event of Default or any act or event which, with the giving of notice or the passage of time, or both, would be such an Event of Default and of any legal action, proceeding or investigation threatened or instituted against such Credit Party that might have a material adverse effect upon the operations, financial condition or business of the Credit Parties or the Borrower's ability to repay the Loan, or PTC's security interest in the Leases or any of them, and from time to time, at PTC's request, each Credit Party will furnish to PTC a summary of the status of all such actions, proceedings or investigation;

(d) **Maintain Business.** Each Credit Party shall maintain in full force and effect all material licenses, permits, authorizations, bonds, franchises and other rights necessary or desirable to the profitable conduct of its business, shall continue in, and limit its operations to, the same general lines of business as are presently conducted and shall comply with all applicable laws, orders, regulations and ordinances of all governmental authorities, in all material respects and shall maintain its corporate existence;

(e) **Mergers, Sale of Assets.** Borrower will not, without PTC's prior written consent: (i) sell, lease, transfer or dispose of substantially all of its assets to another entity; or (ii) consolidate with or merge into another entity, permit any other entity to merge into it or consolidate with it, or permit any transfer of the ownership of, or power to control, Borrower;

(f) **Dividends and Other Distributions.** Unless otherwise indicated herein, Borrower will not, without PTC's prior written consent, declare, order, pay or make, directly or indirectly any dividend or other distribution or other payment or loan other than as permitted in the Shareholders' Agreement;

(g) **Indebtedness.** Borrower will not, without PTC's prior written consent,

(i) incur, create, assume or permit to exist any obligation or indebtedness, except

(A) existing indebtedness disclosed on financial statements previously delivered to PTC;

(B) the Loan;

(C) other indebtedness and trade obligations and normal accruals in the ordinary course of business including indebtedness to Originators arising under Program Agreements;

(D) other indebtedness subordinated and postponed to repayment of the Advance that is subject to a subordination and postponement agreement that is in form and content satisfactory to PTC;

(ii) become liable, directly, or indirectly, as guarantor or otherwise, for any obligation of any other Person, except existing obligations of such kind previously disclosed to PTC in writing and other than the indebtedness set out in Section 8.1(g)(i) above, in excess of the amount set forth in Section 15;

(h) **Lien.** Borrower will not, without PTC's prior written consent, agree for any Person, to have the benefit of or recourse to the Borrower's assets except to the extent fully subordinated to the security interest, claims, and liens of PTC under the Security Agreement;

(i) **Insurance.** Each Credit Party shall maintain and keep in force insurance of the types and amounts customarily carried in its lines of business, including, without limitation, fire, public liability, product liability, property damage and workers' compensation, such insurance to be carried with companies and in amounts satisfactory to PTC, in its reasonable discretion, and

each Credit Party shall deliver to PTC from time to time as PTC may request, schedules setting forth all insurance then in effect and copies of the policies;

(j) Debts. Each Credit Party shall pay all permitted debts, legal awards, taxes, levies, penalties, interest and any other obligation, immediately upon such obligation coming due;

(k) Underwriting. Borrower has and will undertake all appropriate underwriting of the Leases and is holding and will hold written proof of the same, on behalf of PTC; and

(l) Environmental Matters. Each Credit Party will take all reasonable actions to prevent the occurrence of any material violation of any applicable environmental, health and safety statutes and regulations, or any order or judgment of any court with respect to environmental pollution or contamination, hazardous waste disposal or any other environmental matter and each Credit Party shall promptly give written notice to PTC of the following occurrences and of the steps being taken by such Credit Party, with respect thereto:

(i) notice that such Credit Party's operations are not in full compliance with the requirements of applicable environmental, health and safety statutes and regulations;

(ii) notice that such Credit Party is subject to a governmental investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste or substance into the environment; or

(iii) notice that any properties or assets of such Credit Party are subject to any environmental lien.

(m) Monitoring. The Borrower shall monitor the level of complaints received by it arising from all Eligible Assets acquired by the Borrower and take commercially reasonable steps to address such complaints. If, at any given time, the level of unresolved complaints exceeds 1% (being the percentage of active Obligors with unresolved complaints to total active Obligors) or if the level of total complaints (whether resolved or not) exceeds 5% (as the percentage of active Obligors who have made a complaint to total active Obligors), such excess shall be reported to the next meeting of the directors of Crown Crest Capital Management Corp. for a discussion on required management actions in respect of the interests of the Obligors.

8.2 Non-Performing Receivable

If any Eligible Asset, (other than a Lease Asset sold to PTC pursuant to the Sale and Servicing Agreement), becomes a Non-Performing Asset, the Borrower shall (i) notify PTC in writing of such event and (ii) repay any amount by which the aggregate outstanding amount of the Advance hereunder exceeds the Borrower Base as a result of such Eligible Asset becoming a Non-Performing Asset.

9. EVENTS OF DEFAULT

9.1 EVENTS OF DEFAULT. The occurrence of one or more of the following events shall constitute an Event of Default under this Agreement:

- (a) The Borrower defaults in the repayment of any of the amounts payable hereunder, under the Note or any of the Loan Documents and such default is not remedied within 3 Business Days following notice from PTC;
- (b) There shall occur a material event of default under any of the Security Agreement, the other Loan Documents and if such event of default is capable of being cured or remedied, such event of default is not cured or remedied within 30 days following notice from PTC;
- (c) Any Credit Party fails to observe or perform any of the covenants, obligations (including payments) conditions and agreements on the part of the Credit Parties contained herein in any material respect and if such failure is capable of being cured or remedied, such failure is not cured or remedied within 30 days following notice from PTC;
- (d) If any representation or warranty made by the Credit Parties to PTC contained herein or any other document proves to have been untrue in any material respect when made, and if capable of being remedied, is not so remedied within 30 days following notice from PTC;
- (e) Any Credit Party shall be in default in the payment or performance of any material obligation under any indenture, contract, mortgage, law, deed of trust or other agreement or instrument to which such Credit Party is a party or by which it is bound, and if such default is capable of being cured or remedied, is not so cured or remedied within 30 days of notice from PTC;
- (f) The dissolution, termination of existence, insolvency, bankruptcy or business failure of any Credit Party, as applicable, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of any Credit Party, or the commencement by or against any Credit Party of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of any Credit Party, or by or against any guarantor or surety for any Credit Party which is not dismissed within 45 days, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against any Credit Party;
- (g) Any Credit Party commits or threatens in writing to commit an act of bankruptcy (as defined in the *Bankruptcy and Insolvency Act*);
- (h) The institution by any Credit Party of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of any Credit Party;
- (i) There shall exist any act, omission, event or undertaking which would, or would reasonably be expected to, singly or in the aggregate, have a materially adverse effect upon (a) the ability of the Credit Parties taken as a whole to perform their respective obligations under this Agreement or any other Loan Document in any material respect, (b) the legality, validity, binding effect, enforceability or admissibility into evidence of any Loan Document the ability of PTC to enforce any rights or remedies under or in connection with any Loan Document or (c) the perfection or priority of the Security granted pursuant to the Security Agreement;

- (j) PTC in good faith believes the prospect of repayment of the Loan or performance of the obligations hereunder is or is about to be impaired;
- (k) The average Delinquency Rate for any Reporting Period and the two immediately preceding Reporting Periods exceeds 8% at any time before May 29, 2020, or thereafter exceeds 4%, such average Delinquency Rate to be reviewed and mutually agreed upon by the parties upon or promptly following the first anniversary of this Agreement; or
- (l) The amount on deposit in the Reserve Account is less than 50% of the aggregate required "Cash Reserve Amount" specified under each Program Agreement or as otherwise required under the terms of this Agreement.

10. REMEDIES OF PTC UPON DEFAULT

10.1 REMEDIES. At any time after any Event of Default has occurred, PTC may, without presentment, demand, protest or further notice of any kind (all of which are hereby expressly waived) and, notwithstanding the provisions contained in any other document or instrument executed or to be executed by the Credit Parties to PTC hereunder or contained in any other agreement, take any one or more of the following actions:

- (a) Declare the entire principal and any accrued interest on the Loan, together with all costs and expenses, to be immediately due and payable, and to enforce payment thereof by any means permitted by law or in equity;
- (b) Without accelerating payment, enforce the payment of sums of principal and interest then due (including any penalty interest or late payment charges);
- (c) Require the Credit Parties to take or refrain from taking any action which may be necessary to cure such Event of Default and to obtain affirmative or negative injunctions or restraining orders with respect thereto;
- (d) File suit for any sums owing or for damages; and
- (e) Exercise any other remedy or right provided in law or in equity or permitted under this Agreement, the Security Agreement or any other Loan Document, including without limitation, the activation of the Blocked Account Agreement in respect of the Collections Account.

10.2 REMEDIES CUMULATIVE

Any and all remedies conferred upon PTC shall be deemed cumulative with, and nonexclusive of any other remedy conferred hereby or by law, and PTC in the exercise of any one remedy shall not be precluded from the exercise of any other.

11. FEES AND EXPENSES

In addition to interest and principal as stated in the Note, Borrower shall pay all costs of closing the Loan and all expenses of PTC with respect thereto, including, but not limited to, inspection fees, due diligence costs and in-house and outside legal fees (including legal fees incurred by

PTC subsequent to the closing of the Loan in connection with the enforcement of the Loan), filing fees and similar items. PTC will provide a reasonably detailed summary of such costs and expenses prior to the closing of the Loan. Said costs and expenses may, at PTC's option, be deducted from the disbursements of Loan proceeds hereunder. In addition to any liability Borrower may have under applicable law, Borrower shall pay PTC's attorneys' fees and costs incurred in the collection of any indebtedness hereunder, or in enforcing this Agreement, whether or not suit is brought, and any attorneys' fees and costs incurred by PTC in any proceeding under bankruptcy law in order to collect any indebtedness hereunder or to preserve, protect or realize upon any security for such indebtedness.

12. WAIVER

Any waiver of any of the terms of this Agreement by PTC shall not be construed as a waiver of any other terms of this Agreement, and no waiver shall be effective unless made in writing. The failure of PTC to exercise any right with respect to the declaration of any default shall not be deemed or construed to constitute a waiver by, or to preclude PTC from exercising any right with respect to such default at a later date or with respect to any subsequent default by Borrower.

13. NOTICES

Any notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be given by personal delivery or by mailing the same, postage prepaid, to the address set forth in Section 15 hereof. Any such notice shall be deemed received for purposes of this Agreement upon delivery if given by personal delivery or three (3) days after the mailing thereof if given by mail. If either party desires to change the address to which notices are to be sent it shall do so in writing and deliver the same to the other party in accordance with the notice provisions set forth above.

14. MISCELLANEOUS

14.1 PARTIES

This Agreement is made solely among Borrower, the Guarantor and PTC, no other Person shall have any right of action hereunder. The parties expressly agree that no Person shall be a third-party beneficiary to this Agreement.

14.2 INDEMNITY

Borrower agrees to indemnify PTC and each of its directors, officers, employees, trustees, advisors and agents (each such Person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable legal fees (on a solicitor and own client basis), disbursements and other charges, incurred by or asserted or awarded against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance

by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, (iii) any claim made against the Borrower in any capacity, any Indemnitee or any Originator by any Obligor arising from, in connection with or relating to the performance of observance of any of the Borrower's or Originator's respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets, (iv) the failure of the Borrower in any capacity or any Originator to perform or observe any of its respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets or (v) any fine, penalty, sanction, order, or other liability imposed upon or determined against any of the Borrower, in any capacity, any Indemnitee or any Originator by any Governmental Authority in connection with or relating to any Lease Asset; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence or wilful misconduct of any Indemnitee. The provisions of this Section 14.2 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of the Loan, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of PTC. All amounts due under this Section 14.2 shall be payable promptly after written demand therefor.

14.3 ENTIRE AGREEMENT

This Agreement including the Schedules attached hereto and by this reference incorporated herein, together with all other documents hereto, constitutes the entire agreement of the parties hereto and thereto, and no prior agreement or understanding with respect to the Loan, whether written or oral and including, but not limited to, any loan commitment issued by PTC to Borrower, shall be of any further force or effect, all such other prior agreements and commitments having been superseded in their entirety by this Agreement. The effect of this Agreement is to amend and restate the Second Amended Agreement in its entirety to read as set forth herein as of the Amendment Effective Date. Any reference to the Original Amended Agreement, the First Amended Agreement or the Second Amended Agreement shall mean this Agreement (as may be further amended, amended and restated or supplemented from time to time).

14.4 ASSIGNMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns; provided, however, that neither this Agreement nor any rights or obligations hereunder shall be assignable by Borrower without the prior express written consent of PTC first having been obtained, and any purported assignment made in contravention hereof shall be void. Only after the occurrence and during the continuance of an Event of Default, PTC may assign any part of or all of the Loan and its rights and obligations hereunder in its sole discretion. PTC may participate all or any portion of the Loan to such other

party or parties as PTC shall select provided that any disclosure of information provided to any participant shall be subject to Section 14.9.

14.5 GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without regard to the conflicts of laws rules of the Province of British Columbia).

14.6 TIME

Time is of the essence hereof.

14.7 SURVIVAL

The representations and warranties hereunder shall survive the closing of the Loan and PTC may enforce such representations and warranties at any time. The covenants of the Credit Parties shall survive the closing of the Loan and shall be performed fully and faithfully by the Credit Parties at all times. The indemnities of Borrower shall survive repayment of the Loan.

14.8 SEVERABILITY

If any term or provision of this Agreement or any other document, or the application thereof to any circumstance, shall be invalid, illegal or unenforceable to any extent, such term or provision shall not invalidate or render unenforceable any other term or provision of this Agreement or any other Loan Document, or the application of such term or provision to any other circumstance. To the extent permitted by law, the parties hereto hereby waive any provision of law that renders any term or provision hereof invalid or unenforceable in any respect.

14.9 CONFIDENTIALITY

Each party hereto will maintain on a confidential basis (except as otherwise permitted hereunder or as required by applicable law) all information relating to the other party provided to it hereunder by the other parties; provided, however, that this Section shall not apply to any information which (i) was lawfully in the public domain at the time of communication to the first party, (ii) lawfully enters the public domain through no fault of the first party subsequent to the time of communication to the first party, (iii) was lawfully in possession of the first party free of any obligation of confidence at the time of communication to the first party, (iv) was lawfully communicated to the first party free of any obligation of confidence subsequent to the time of initial communication to the first party or (v) was lawfully communicated to any Person free from any obligation of confidence subsequent to the time of communication to the first party.

15. STATEMENT OF TERMS

15.1 The Maximum Amount of Loan for the purposes of Section 1 shall be \$20,514,800.00 until December 31, 2020, at which time it shall be reduced to \$19,514,800.00.

15.2 Number of Days Past Due (definition of Eligible Assets paragraph (s)): 5 days

15.3 Interest on the Loan (Section 2.5): BMO Prime plus 6.05% P.A.

15.4 End Date (Section 2.8): May 31, 2023.

15.5 Persons Authorized to Requested Advance (Section 5.2): Lawrence Krimker, Luda Krimker, Liam Coates and such others as designated by notice in writing

15.6 Commitment Fee (Section 6.1(a)): 15 bps of Maximum Amount of Loan

15.7 Non-Utilization Fee (Section 6.1(b)): 32.5 bps of the undrawn amount

15.8 Inspection Fee (Section 6.1(c)): Reasonable charges billed by qualified contractors, along with their related expenses.

15.9 Annual Review/Renewal Fee (Section 6.1(d)): \$37,500

15.10(i) Audited statements of SGHS due within 120 days of each fiscal year, with audited consolidated financial statements for SGHS for the 2022 fiscal year due by April 30, 2023.

15.10(ii) Quarterly unaudited financial statements of the Credit Parties and SGHS due within 45 of each fiscal quarter.

15.10(iii) Effective as of June 30, 2021, monthly unaudited financial statements of the Credit Parties and SGHS due within 30 days of month end.

15.11 Annual forecasts of the Credit Parties and SGHS to be received annually by January 31 of each year; provided that for the 2023 calendar year, the annual forecasts of the Credit Parties and SGHS may be delivered on or before April 30, 2023.

15.12 Maximum amount of indebtedness, liabilities or other contingent obligations (Section 8.1(g)(ii)): \$25,000.

15.13 Addresses for Notices (Section 13):

To Borrower:

Crown Crest Capital Management Corp.
1201-200 Yorkland Blvd.
Toronto, ON
M2J 5C1

Attention: President

To PTC:

Peoples Trust Company
1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention: President and CEO

With a copy to General Counsel and Executive VP & Chief Financial Officer

15.14 Interest on the Non-AML Compliant Portion of the Loan (Section 2.5): BMO Prime plus 6.05% P.A.

15.15 SOC 1 Type I audit for the 2022 fiscal year to commence prior to the end of SGHS's Q1 2023, with a scope to be approved by PTC, acting reasonably.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CROWN CREST FUNDING CORP., in its capacity as trustee of **CROWN CREST CAPITAL TRUST**

By:



Name: Lyudmila Krimker

Title: President

CROWN CREST CAPITAL MANAGEMENT CORP.

By:

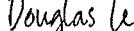


Name: Lawrence Krimker

Title: President

PEOPLES TRUST COMPANY

By:

DocuSigned by:


5A580E9653A8438...

Name: Douglas Lee

Title: SVP Distribution

DocuSigned by:


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Bill Moffatt

C.O.O.

SCHEDULE A
Form of Advance Request
NOTICE OF ADVANCE REQUEST

May 29, 2019

1400 – 888 Dunsmuir Street

Vancouver, BC V6C 3K4

Attention:

E-MAIL:

BORROWING NOTICE

We refer to the Third Amended Warehouse Line of Credit Agreement dated as of [●], 2022 (the “**Agreement**”; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement), entered into by and among Crown Crest Funding Corp., in its capacity as trustee of Crown Crest Capital Trust (“**Borrower**”), Crown Crest Capital Management Corp., and Peoples Trust Company (“**PTC**”).

We hereby instruct and authorize PTC to make the Advance to our disbursement account(s), subject to and in accordance with the terms and provisions of the Agreement to the TD Bank account # [NUMBER], Transit # [NUMBER] and to charge Borrower’s loan account with such Advance.

Borrower hereby request an advance (the “**Advance**”) be made as follows:

A. The date of Advance: ●

B. Type/amount of Advance: CAD: \$ Amount

Borrower hereby confirms as follows:

- (a) Each of the representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof and as of the Amendment Effective Date, in each case as if made on and as of such date, except as PTC may have otherwise agreed to herein or in a separate writing.
- (b) No Event of Default has occurred as of the date hereof and as of the Amendment Effective Date or will occur after the making of the Advance requested hereunder.
- (c) Each Credit Party is in compliance with each of the covenants set forth in Section 8.1 of the Agreement.

(d) The Advance requested hereunder will not cause the aggregate principal amount of the Advance under the Agreement to exceed the Borrowing Base or the Maximum Amount of the Loan.

DATED May 29, 2019.

BORROWER: Crown Crest Capital Trust, by its trustee Crown Crest Funding Corp. by its authorized agent, Crown Crest Capital Management Corp.

By:

Name:

Title:

SCHEDULE B
BORROWING BASE CERTIFICATE

Date:	Warehouse	Purchase
WH		PCH
Eligible monthly rental rate		-\$
Borrowing base		-\$

[Attach spreadsheet]

	Rental Rate	Warehouse PV	Purchase PV
Amount in purchase facility	-	-	-
Amount in warehouse facility	-	-	-
Warehouse (current batch)	-	-	-

CROWN CREST CAPITAL

**This is Exhibit “E”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

Katherine Yurkovich

BF136400C72D4F9...

A commissioner for taking affidavits

SECOND AMENDED AND RESTATED WAREHOUSE LINE OF CREDIT AGREEMENT

This Second Amended and Restated Warehouse Line of Credit Agreement is dated as of
January 1, 2023.

This Agreement is entered into by and among Simply Green Home Services Inc., a corporation incorporated under the laws of the Province of Ontario ("Borrower"), 2775996 Ontario Inc. a corporation incorporated and existing pursuant to the laws of the Province of Ontario ("Guarantor") and Peoples Trust Company, a trust company existing under the laws of Canada ("PTC").

RECITALS:

- A. Borrower is in the business of originating and servicing Leases for the lease and sale of Approved Equipment;
- B. Borrower, Guarantor and PTC entered into a warehouse line of credit agreement made as of May 29, 2019 (the "**Original Agreement**"), pursuant to which the Borrower obtained from PTC a demand line of credit ("Loan") on the terms and conditions set forth therein;
- C. Borrower, Guarantor and PTC amended and restated the terms of the Original Agreement in an amended and restated warehouse line of credit agreement (the "**First Restated Agreement**")
- D. Borrower, Guarantor and PTC wish to amend the terms of the First Restated Agreement on the terms and conditions hereinafter set forth, with effect as of October 31, 2022 (the "**Amendment Effective Date**")

NOW, THEREFORE in consideration of the premises and the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 DEFINITIONS

"**Advances**" has the meaning ascribed to it in Section 2.1.

"**Advance Request**" means an advance request in the form of Schedule A.

"**Adverse Claim**" means a security interest or other lien, charge, encumbrance, right or claim, including any filing or registration made in respect thereof, of or through any Person (other than PTC).

"**Affiliate**" means, in respect of one entity, (i) another entity that directly or indirectly, through one or more intermediaries, owns more than 50% of the outstanding voting securities of the entity, or (ii) an entity that directly or indirectly through one or more intermediaries, is controlled by the

entity, in each case where the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract interest or otherwise.

"Agreement" shall mean this warehouse line of credit agreement and all schedules and exhibits hereto, as it may be amended, restated, supplemented, modified or replaced from time to time.

"Amendment Effective Date" has the meaning ascribed to it in Recital C.

"Approved Equipment" shall mean storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment and boiler systems, sub-metering equipment, home security system, smart home products, as well as such other NOSI eligible consumer equipment as approved by the Credit and Collection Policies.

"Approved Originator" means each of the following:

- a) Simply Green Home Services Inc.;
- b) Simply Green Retail Services Inc.;
- c) Simply Group Financial Corp.;
- d) Sandpiper Energy Solutions;
- e) HCSI Home Comfort 2 Inc.;
- f) One Dealer Inc.;
- g) EcoHome Financial Inc.;
- h) EcoHome RNC
- i) SNAP Home Finance Corp.;
- j) SNAP Home RNC
- k) Simply Smart Home;

together with any additional originators approved in writing by PTC, where approval by PTC is subject to receipt by PTC at least 5 Business Days before any such approval is to be provided of all information required by PTC concerning the proposed additional Originator and PTC being satisfied, acting reasonably, with the results of its review of that information.

"Blocked Account Agreement" means the blocked account agreement to be entered into between the Trustee, PTC and The Toronto-Dominion Bank prior to any Advances hereunder, as the same may be amended, restated, supplemented or replaced from time to time.

"BMO Prime" means, at any time, the posted "prime rate" of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

"Borrowing Base" means at any time, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under Eligible Assets then owned by the Borrower, discounted to such date at the discount rate established pursuant to Section 1.2.

“Borrowing Base Certificate” means a certified calculation of the Borrowing Base in the form of Schedule B.

“Business Day” means any day that is not a Saturday, Sunday or other day to which commercial banks in Vancouver, British Columbia or Toronto, Ontario are authorized or required by applicable law to remain closed.

“Charged-Off Asset” means any Lease Asset (i) for which the Borrower has become aware that an Insolvency Event has occurred in respect of any related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Borrower in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease Asset would be charged-off as uncollectible upon the Borrower becoming aware that an Insolvency Event had occurred in respect of any related Obligor.

“Collections” means, without duplication (i) in respect of any Eligible Asset, all cash collections and other cash proceeds in respect thereof and of the related rights and Leases and (ii) the net proceeds of any disposition of the related Eligible Asset.

“Collections Account” means the account established and maintained in the name of the Borrower as the account owner at The Toronto-Dominion Bank (Branch ID: 14822, Account Number: 5317796) or such other account as is designated by notice to PTC as the Collections Account for the purposes hereof, which account shall at all times be subject to a Blocked Account Agreement in form and substance acceptable to PTC.

“Commercial Lease” means a Lease where the Obligor is a corporation.

“Contract Lender” means a lender to the Borrower or purchaser who is financing, purchasing or proposing to purchase or otherwise finance (including by way of concurrent lease) specific contracts and the related assets of the Borrower where the principal amount of the money lent or otherwise advanced to the Borrower is determined on the basis of the value of such contracts.

“Credit and Collection Policies” means the Borrower’s credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Borrower’s operating procedures manual.

“Credit Parties” means, collectively, the Borrower and the Guarantor, and “Credit Party” means any of them.

“Delinquency Rate” means, for any Reporting Period, the sum of the Outstanding Balances of Eligible Assets that are Delinquent Assets at the end of such Reporting Period, divided by the Outstanding Balance of all Eligible Assets at the end of such Reporting Period.

“Delinquency Rate Reimbursement” means an administration fee equal to \$2500, which for greater certainty, is not and shall not be deemed to be a penalty in any way, and represents costs incurred by PTC with respect to the monitoring, analyzing and reporting on either of the Excess LS Delinquencies or the Excess LV Delinquencies, as such terms are defined in Section 2.5.

"Delinquent Asset" means:

- (a) if the Lease Asset is a not a RNC Lease, any amount payable thereunder is more than 30 days past due; or
- (b) if the Lease Asset is a RNC Lease, the RNC Lease Builder has failed or fails to take all steps necessary for the RNC Lease Homeowner to assume all obligations pursuant to the RNC Lease concurrently with the closing of the purchase and sale of the building in which the Approved Equipment under the RNC Lease has been installed; or
- (c) if the Lease Asset is a RNC Lease, either (i) more than 90 days have elapsed since the date on which the RNC Lease Homeowner assumed all obligations under the RNC Lease without the RNC Homeowner making the first payment required under the RNC Lease or, (ii) after the 90-day period from the date the RNC Homeowner assumed all obligations under the RNC has elapsed, any amount payable under the RNC Lease is more than 30 days past due.

"Eligible Asset" means any Lease Asset:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Borrower; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any pre-condition which has not been fulfilled;
- (b) which is not a Charged-Off Asset;
- (c) that has a fair market value (based on monthly payments) that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Borrower), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);

- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Borrower and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Borrower or the Approved Originator is not in default in the performance of any of the covenants of the Borrower or the Approved Originator thereunder;
- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;
- (i) in which the perfection of the Borrower's rights complies with the requirements of the Credit and Collection Policies in all material respects, it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Borrower's rights;
- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Lease and such origination was consistent with the Credit and Collection Policies) and there are no such proceedings pending, or to the best of the Borrower's knowledge, threatened against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by PTC, acting reasonably;
- (m) in respect of which the Borrower is the legal and beneficial owner of the Lease Asset, the related Leases and Rights free and clear of any Adverse Claim other than as contemplated hereunder;
- (n) that has not been satisfied, subordinated, waived or rescinded;
- (o) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (p) that was generated in the ordinary course of business;
- (q) except in the case of Low Value Leases, for which all filings or recordings with respect to the Borrower's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests (including without limitation any NOSI filings eligible to be made in the applicable land

title registry) including any further filings, recordings or renewals thereof, have been effected by the Borrower ("Lien Registration");

(r) in respect of which there is a parts warranty on the related Leased Equipment issued by the manufacturer or a third party insurer that is approved in writing by PTC, acting reasonably;

(s) in respect of which the related Reserve has been deposited to the Reserve Account and, (i) in the case of a Low Value Lease without a Lien Registration, the Reserve is equal to 5% of the Outstanding Balance of the Lease Asset, and (ii) otherwise 3% of the Outstanding Balance of a Lease Asset;

(t) that is not a Non-Performing Asset;

(u) in respect of which the related originator is an Approved Originator;

(v) which is not a Lease Asset specifically excluded by the Borrower in a Borrowing Base Certificate, provided that the Borrower may not exclude any Lease Assets as contemplated hereunder if the aggregate amount of Advances then outstanding exceeds or would exceed the Borrowing Base at such time;

(w) the related Obligor's credit score at the time of origination was not less than 500, provided that the related Obligor may have no measured credit score in respect of a Low Value Lease if evidence has been obtained of the related Obligor's ownership of the residential property at which the related Leased Equipment has been installed;

(x) that is not a Non-AML-Compliant Lease Asset; and

(y) if the Lease Asset is a Non-Billing RNC Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Non-Billing RNC Leases, does not exceed \$10 million.

"End Date" shall have the meaning set forth in Section 2.1.

"Escalation Amount" has the meaning ascribed thereto in the respective rental contracts.

"GAAP" means at any particular time with respect to any Credit Party, generally accepted accounting principles as in effect at such time in Canada, consistently applied.

"Governmental Authority" means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Guarantee" has the meaning ascribed to it in Section 4.1.

"HVAC" has the meaning ascribed to it in the definition of Approved Equipment.

"Indemnitee" has the meaning ascribed to it in Section 14.2.

“Insolvency Event” means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up, reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days, or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

“Lease” means a lease, rental agreement or conditional sales contract or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Approved Originator.

“Lease Asset” means a Lease together with the related Rights.

“Leased Equipment” means in respect of a Lease, the equipment leased to the related Obligor thereunder, including any replacements thereof under the terms of the Lease.

“Loan” has the meaning ascribed to it in Recital B.

“Loan Documents” has the meaning ascribed to it in Section 5.1(a).

“Low Score Leases” means Lease Assets in respect of which the beacon score of the related Obligor is less than 600 on the date such Lease Asset is originated.

“Low Value Lease” means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the monthly rental payment (excluding taxes) is less than \$45 or a tankless water heater where the monthly rental payment (excluding taxes) is less than \$65.

“Magnetar Guarantee” means the Borrower’s guarantee of the obligations of Guarantor in favour of MAGNETAR FINANCIAL LLC (“**Magnetar**”), as the same may be amended, modified restated or replaced from time to time.

“Maximum Amount of Loan” means the amount set forth in Section 15.

“Non-AML-Compliant Lease Asset” means a Lease Asset that does not comply with the “know your customer” requirements imposed by any anti-money laundering or anti-terrorist financing legislation applicable to PTC, as determined by PTC in its sole discretion.

“Non-Billing RNC Lease” means an RNC Lease where the Obligor is the RNC Lease Builder and not an RNC Lease Homeowner.

“Non-Performing Asset” means any Lease Asset that is more than 180 days past due.

“Note” has the meaning ascribed to it in Section 2.4.

“Obligor” means in respect of any Lease Asset, the Person or Persons obligated to make payments thereunder and, in the case of a RNC Lease, includes the agent of that Person or Persons.

“Original Agreement” has the meaning ascribed to it in Recital B.

“Outstanding Balance” means at any time in respect of a Lease Asset, the product of (i) 90%, and (ii) the sum of the present values of all unpaid Scheduled Payments arising under such Lease Assets, discounted to such date at the discount rate established pursuant to Section 1.2.

“Person” includes any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Authority or other entity.

“Program Agreements” means the program agreements entered into by the Borrower with each Approved Originator pursuant to which the Borrower acquires Leases from time to time.

“Records” means, in respect of any Lease Asset, all contracts (including those evidencing such Lease Asset), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Borrower, hard copies of all data maintained in databases of the Borrower, tapes and disks) maintained by or on behalf of the Borrower in respect of the Lease Assets and the related Obligor.

“Rental Amount” means in respect of a Lease, the regularly-scheduled monthly equivalent rental payment amount as of the date of the Advance Request (excluding any future Escalation Amount).

“Reporting Period” means a calendar month.

“Reserve Account” means the account established and maintained in the name of PTC as the account owner at The Toronto-Dominion Bank (account number is 1020 5606601) or such other account as is designated by notice to the Borrower as the Reserve Account for the purposes hereof.

“Reserves” means the cash reserves held by the Borrower and available to be applied toward losses or other shortfalls suffered in respect of the Lease Assets acquired under the related Program Agreement.

“Rights” means, in respect of any Lease Asset, the following:

- (a) all rights and benefits accruing to the Borrower under such Lease Asset, including all right, title and interest in and to the related receivables;
- (b) all of the Borrower’s right, title and interest in and to the related Leased Equipment;

- (c) all of the Borrower's right, title and interest in the Reserves in respect of the Lease Asset and available to be applied toward the payment of any Lease Asset under the terms of the related Program Agreement;
- (d) all right in or to payments (including both proceeds and, to the extent the Borrower has any rights therein, premium refunds) under any insurance policies maintained by the related Obligor pursuant to the terms of such Lease Asset or by the Borrower in respect of such Lease Asset;
- (e) all claims, demands, actions, damages and indemnities owing to the Borrower under such Lease Asset;
- (f) the right of the Borrower to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease Asset and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;
- (g) all of the right, title and interest of the Borrower in, to and under all prepayments, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor's obligations in respect of the Lease Asset, whether pursuant to the Lease Asset or otherwise;
- (h) the related Records; and
- (i) all proceeds of or relating to any of the foregoing.

"RNC Lease" means a Lease Asset for which the original Obligor under the applicable Lease is a RNC Lease Builder.

"RNC Lease Builder" means a builder or developer who does not intend to occupy the building in which the Approved Equipment under a RNC Lease is to be installed.

"RNC Lease Homeowner" means the first Obligor or Obligors under a RNC Lease who is not a RNC Lease Builder.

"Scheduled Payment" means, in respect of a Lease Asset, the regularly scheduled monthly rental payment payable by the Obligor thereunder during a term not exceeding the lesser of (i) the term of the Receivable, (ii) 120 months, and (iii) the remainder of the Prescribed Term, as such term is defined in the related Program Agreement.

"Security" has the meaning ascribed to it in Section 3.1.

"Security Agreement" means the general security agreement dated May 29, 2019 between the Borrower and PTC, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time;

"Subordinated Debt" means subordinated debt incurred by the Borrower from time to time to finance or refinance the acquisition of Leases, which debt may be secured but shall be subordinated and postponed to the Loan.

1.2 DISCOUNT RATE

Any reference to a "discount rate" in the definition of "Borrowing Base" or "Outstanding Balance" means a discount rate equal to 4% per annum, provided that the discount rate shall equal 7.5% per annum with respect to any Lease that is not an RNC Lease originated by an Originator on or after January 2, 2023; provided further, that in respect of RNC Leases, the discount rate shall equal 4% per annum where the RNC site agreement is entered into before January 2, 2023 and 7.5% per annum where the RNC site agreement is entered into on or after January 2, 2023; provided lastly that PTC may further adjust the discount rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of Advances to be made after such date. An increase in the discount rate may not exceed the net increase in BMO Prime during the calendar year during which the notice is given.

1.3 AMENDMENTS TO DEFINITION OF ELIGIBLE ASSET

If, at any time, PTC determines, acting reasonably, that there has been a material change in the information contained in a Borrowing Base Certificate from the information contained in any previous Borrowing Base Certificate, then PTC may elect by notice in writing to the Borrower and the Guarantor to amend the definition of Eligible Asset so that it contains one or more of the following additional requirements:

- (a) if the Lease Asset is a Low Score Lease and does not have a Lien Registration, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Low Score Leases without Lien Registrations, does not exceed 5% of the Outstanding Balance of all Lease Assets at such time; and
- (b) if the Lease Asset is a Low Value Lease and does not have a Lien Registration, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets without Lien Registrations, does not exceed 45% of the Outstanding Balance of all Leased Assets in the first 90 days following May 29, 2019, and thereafter does not exceed 35%;
- (c) if the Lease Asset is a Commercial Lease, then the Outstanding Balance of such Lease Asset, together with the Outstanding Balances of all Leases relating to Leased Assets that are Commercial Leases, does not exceed 25% of the Outstanding Balance of all Leased Assets at such time;

and the definition of Eligible Asset will be deemed to have been amended from the time of delivery of notice of any such election by PTC to the Borrower and the Guarantor.

2. LOAN

2.1 LOAN

Subject to the terms and conditions contained in this Agreement and in the other documents, instruments and agreements executed in connection with the Loan, including without limitation, the Security Agreement and the other Loan Documents, PTC will establish for the Borrower the Loan as a demand revolving line of credit against which PTC will make advances ("**Advances**") from time to time for the purpose of financing or refinancing the acquisition of Eligible Assets. Subject to the terms hereof, including without limitation Section 2.2, the Borrower shall have the right to obtain Advances, repay Advances and obtain additional Advances; however, all of the Advances hereunder shall be deemed to be a single loan. At no time shall the unpaid principal balance of the Loan exceed the lesser of (x) the Borrowing Base, and (b) the Maximum Amount of Loan. No Advances of the Loan shall be made after the date set forth in Section 2.8 ("**End Date**").

2.2 ADVANCES

Subject to the terms and conditions hereof, Advances to purchase and refinance Eligible Assets from Approved Originators may be drawn on the last Business Day of each week by delivery of an Advance Request together with a current Borrowing Base Certificate no later than the Business Day prior to the requested Advance.

Advances made pursuant to this Section 2.2 may not be used to purchase and refinance portfolios of Eligible Assets, but may only be used to purchase and refinance Eligible Assets in the ordinary course of business pursuant to Program Agreements.

No more than one Advance Request may be delivered per week. The aggregate amount requested pursuant to an Advance Request shall be no less than \$200,000.

No Advance shall cause the aggregate principal amount of Advances outstanding hereunder to exceed the Borrowing Base or the Maximum Amount of Loan. In addition to statutory holidays, PTC's offices close for lending annually between December 15th and January 2nd for the winter holidays. Hence, no Advances can occur during this period.

Reserves held by the Borrower in accordance with the Program Agreements shall be held in the Reserve Account and applied by the Borrower to shortfalls in respect of Leases as provided under the related Program Agreements.

2.3 RESERVED

2.4 NOTE

At PTC's request, the Borrower shall execute a promissory note ("**Note**") evidencing the Loan, in a form prepared and approved by PTC in the Maximum Amount of Loan, payable in accordance with the terms thereof.

2.5 INTEREST AND PAYMENTS

Interest on the principal amounts of the Advances outstanding from time to time shall accrue at the per annum rate specified in Section 15 as the "Interest on the Loan" (the "**Interest Rate**") as adjusted below and should such rates of interest as calculated thereunder exceed that allowed by law, the applicable rate of interest will be the maximum rate of interest allowed by applicable law.

Interest on the principal amount of the Advances outstanding from time to time will be calculated and compounded monthly, not in advance, at the Interest Rate, both before and after maturity and default, and with interest on overdue interest at the same rate, until payment in full has been made of the principal amount and all accrued interest.

All interest hereunder shall be payable for the actual number of days elapsed (including the first day and the last day).

If the Delinquency Rate for the Low Score Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 8% (the amount of any excess being the "**Excess LS Delinquencies**"), a Delinquency Rate Reimbursement (an "**Excess LS Delinquencies Reimbursement**") shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 8%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LS Delinquencies.

If the Delinquency Rate for the Low Value Leases included in the Borrowing Base exceeds, at any time during any Reporting Period, 10% (the amount of any excess being the "**Excess LV Delinquencies**"), a Delinquency Rate Reimbursement (an "**Excess LV Delinquencies Reimbursement**") shall be paid by the Borrower to PTC for each Reporting Period (that is, each calendar month) during which such Delinquency Rate had exceeded 10%. For greater certainty, the Borrower and PTC agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or fee in any way, but rather a true representation of the costs that PTC shall incur in respect of the monitoring, analyzing and reporting on the Excess LV Delinquencies.

For greater certainty, both an Excess LS Delinquencies Reimbursement and an Excess LV Delinquencies Reimbursement may be payable by the Borrower to PTC for the same Reporting Period.

Accrued interest on the Loan shall be payable in arrears on the first (1st) day of each month and upon termination of the commitments hereunder (including upon the occurrence of the End Date).

The Borrower shall pay to PTC on the End Date or other date of maturity of the Note or Loan, whether by acceleration or otherwise, the aggregate principal amount of all amounts of Advances outstanding on such date.

All payments and prepayments of principal, interest and fees under this Agreement and the Note and Loan shall be made to PTC prior to 12:00 p.m. (noon), Pacific time, in immediately available funds and for the ratable benefit of PTC.

2.6 PREPAYMENTS

If for any reason the aggregate principal amount of the Loan outstanding at any time shall exceed the lesser of (i) the Maximum Amount of the Loan and (ii) the Borrowing Base at such time, the Borrower, without notice or demand, shall immediately make a principal payment to PTC in an amount equal to such excess plus accrued and unpaid interest thereon. If any fine, penalty, sanction, order or other liability is imposed upon or determined against any of the Borrower, PTC or any Approved Originator in connection with or relating to any Eligible Asset the purchase of which was financed by an Advance hereunder, such Lease Asset shall cease to be an Eligible Asset and the Borrower shall immediately, make a principal payment to PTC in an amount equal to the Advance made in connection with the relevant Eligible Asset. The Borrower may from time to time, prepay all or part of the outstanding principal balance of the Loan provided that in the event of any prepayment prior to the expiration of ninety (90) days from the date hereof, the Borrower shall pay to PTC an amount equal to the interest that would otherwise have been payable under the Note from the date of the prepayment until the end of such ninety (90) days.

2.7 REMITTANCE ACCOUNT.

The Collections received by Borrower from its collection of Leases which have been assigned, by way of security pursuant to Section 3.1, shall be remitted to the Collections Account and subject to the terms of the Blocked Account Agreement.

2.8 END DATE / RENEWAL

The Loans shall mature and be repayable on the End Date specified in Section 15. Notwithstanding the foregoing, the End Date may be extended by PTC for an additional 6 months by written notice to the Borrower, such notice to be sent no earlier than 6 months prior to the scheduled End Date and no later than 4 months prior to the scheduled End Date. Upon such extension, the End Date shall be deemed to be such date 6 months following the scheduled End Date for all purposes hereunder until further extended by PTC pursuant to this Section 2.8.

2.9 REMOVAL OF ELIGIBLE ASSETS

The Borrower may from time to time remove Eligible Assets from the Borrowing Base by selling such Eligible Assets to third parties or funding them with a different Contract Lender provided, however, that at the time of such removal or prior, the Borrower has repaid the Facility in the amount, if any, necessary to ensure that the Loan will not exceed the Borrowing Base as a result thereof. Any repayment of the Facility in connection with this Section 2.9 shall not require a Prepayment Notice or require the payment of any prepayment fee or penalty of any kind. PTC agrees to execute such releases and discharges as may be necessary to release its interests in any Eligible Assets removed from the Borrowing Base as contemplated hereunder.

3. SECURITY

3.1 Security

As security for the payment of the Note, the Loan, and all other liabilities and obligations of Borrower to PTC, now existing or hereafter created, Borrower shall grant a security interest in and set over to PTC, all of the Borrower's present and after-acquired personal property, including without limitation, all of the Borrower's rights, titles and interests in all of Borrower's Lease Assets ("Security"); and any cash flow and proceeds therefrom. Such assignment, pledge and security interest shall be granted by way of the Security Agreement and such other instruments or specific assignments, by way of security, and shall be registered and perfected under applicable personal property security legislation in all required jurisdictions, in each case, as determined by PTC in its sole discretion.

3.2 RESTRICTIONS

Except as set out herein the Borrower may not grant or assign, pledge or set over any of its rights, titles or interests in an Eligible Asset to any third party except as contemplated in Section 2.9 or in connection with the Magnetar Guarantee.

3.3 ADDITIONAL DOCUMENTS

Borrower or the Trustee as applicable shall execute from time to time upon the request of PTC, a standard Blocked Account Agreement in respect of the Collections Account and the Reserve Account and such financing statements or other documents as reasonably required by PTC to perfect or continue PTC's rights, titles and interests in the Leases. For greater certainty, such Blocked Account Agreement shall permit Borrower to withdraw funds from the Collections Account and the Reserve Account unless and until "activated" by PTC on the occurrence of an Event of Default.

4. GUARANTEE

4.1 GUARANTOR

Guarantor shall grant and execute in favour of PTC a guarantee (the "Guarantee") whereby the Guarantor shall irrevocably and unconditionally guarantee to PTC the due and punctual payment in full of the Note, Loan, and all other liabilities and obligations of Borrower to PTC hereunder when the same shall become due, and such Guarantee shall be in form and content satisfactory to PTC in its sole discretion.

5. CONDITIONS PRECEDENT

5.1 CONDITIONS PRECEDENT TO ADVANCES

In addition to the conditions set out in Section 2.2, PTC shall have no obligation to make any Advance until the conditions set forth in the following subparagraphs and elsewhere herein have

been satisfied at the expense of the Borrower, as determined by PTC in its sole and absolute discretion:

- (a) each Credit Party shall have delivered, or caused to be delivered, to PTC, in form and substance satisfactory to PTC, this Agreement, the Note, the Security Agreement, the Blocked Account Agreement and the Guarantee, and such other documents, instruments, financing statements, certificates, legal opinions, and agreements as PTC may reasonably request (collectively, the "**Loan Documents**");
- (b) each Credit Party shall have delivered, or caused to be delivered, to PTC, in form and substance satisfactory to PTC in its sole and absolute discretion certified copies of resolutions of such Credit Party's trustees, directors or partners, as the case may be, authorizing such Credit Party to execute, deliver, honour and perform the Agreement, the Note, the Security Agreement and a certificate of incumbency certifying the names and signatures of the trustees, officers or partners, as the case may be, of each Credit Party authorized to sign the Loan Documents;
- (c) PTC's security interests securing the Note, Loan, and all other liabilities and obligations of Borrower to PTC shall have been validly perfected and be a first charge in favour of PTC over all Eligible Assets financed by such Advance and the proceeds thereof, and to the extent that other Contract Lenders exist PTC shall agree with such Contract Lenders that (a) PTC shall have a first priority position in the assets financed by PTC (the "**PTC Assets**") (b) PTC shall subordinate its security such that each Contract Lender will have first priority over the assets financed by it, and (c) PTC and each Contract Lender will have a second charge over the assets of the Borrower ranking pari passu over assets they do not finance;
- (d) PTC shall have received information in respect of the originators listed in paragraphs (d) to (k) of the definition of Approved Originators, which shall include all information required by PTC to approve such originators, and PTC shall be satisfied, acting reasonably, with the results of its review of such information;
- (e) PTC shall have received the Credit and Collection Policies and shall be satisfied with the results of its review of the same;
- (f) PTC shall have received evidence of, or undertakings from the Borrower's solicitors in relation to, the discharge of any indebtedness or Adverse Claims, except as permitted in accordance with Section 8.1(g), as determined satisfactory in the reasonably exercised opinion of PTC's solicitors;
- (g) No material adverse change shall have occurred in the business or financial condition of Borrower since the date of the latest financial statements given to PTC by on behalf of Borrower;
- (h) Each of the warranties and representations made by Borrower in this Agreement shall be true and correct as of the date of each Advance; and
- (i) Borrower shall have kept and performed the various covenants, obligations and agreements on its part to be kept and performed under this Agreement and no Event of Default, or act or

event which with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder shall have occurred and be continuing.

5.2 REQUEST FOR ADVANCES

Advances may be made by PTC upon receipt of an Advance Request (including a calculation of the current Borrowing Base) executed by the Persons named in Section 15 hereof, either one acting alone, who are authorized to request Advances and direct disposition of any such Advances, for and on behalf of the Borrower, until written notice of the revocation of such authority is received from Borrower by PTC. Each request by Borrower for an Advance shall constitute a reaffirmation, as of the date of such request, of all of the representations and warranties of Borrower contained in this Agreement.

5.3 NO WAIVER

No Advance, or any waiver of a condition in connection therewith, shall constitute a waiver of any of the conditions to any further Advances.

6. FEES

6.1 FEES

As additional consideration for PTC's commitments herein, Borrower agrees to pay to PTC the following fees, which shall be fully earned and non-refundable to Borrower, shall be held and retained by PTC as its sole property and shall not be applied to any payments due under the Loan Documents or Note other than this Section 6:

- (a) a commitment fee in the amount set forth in Section 15 hereof, payable on or before May 29, 2019 and in each instance where the Maximum Amount of Loan is increased;
- (b) a non-utilization fee computed at the rate per annum set forth in Section 15 hereof on the unused portion of the Maximum Amount of Loan and payable quarterly in arrears to be calculated from the Amendment Effective Date, where the phrase 'unused portion of the Maximum Amount of Loan' means the average difference between (i) the Maximum Amount of Loan and (ii) the outstanding principal balance of the Loan on each day during such period;
- (c) an inspection fee in the amount per inspection set forth in Section 15 hereof, payable within ten (10) days of Borrower being billed therefor by PTC; and
- (d) an annual review and renewal fee in the amount set forth in Section 15 hereof, payable each year on May 29 so long as this Agreement has not been terminated.

7. REPRESENTATIONS AND WARRANTIES

7.1 REPRESENTATIONS AND WARRANTIES

Each Credit Party confirms that it made the following representations and warranties to PTC as of the date hereof and as of the Amendment Effective Date, which representations and warranties survived the execution of this Agreement:

- (a) Legal Status. Each of the Borrower and the Guarantor is a corporation that has been duly organized and is validly existing under the laws of Ontario and is qualified to transact business, and has made all filings and is in good standing, in Ontario and in every other jurisdiction in which the nature of its business requires such qualifies;
- (b) No Violation. The making and performance by the Credit Parties of the Loan Documents do not violate any provision of law, nor any provision of such Credit Party's formation documents, including, without limitation, articles of incorporation or any partnership agreement or trust indenture, or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which such Credit Party is a party or by which such Credit Party may be bound;
- (c) Authorization. This Agreement and the other Loan Documents have been duly authorized, executed and delivered, and are legal, valid and binding agreements of the Credit Parties who are party thereto enforceable against such Credit Party in accordance with their terms, except as enforceability may be limited by bankruptcy, solvency, reorganization, moratorium or similar laws effecting creditors' rights generally and by general principles of equity;
- (d) Financial Statements. All financial statements and reports (including Borrowing Base Certificates) that have heretofore been presented to PTC in conjunction with the transaction which is the subject of this Agreement, have been prepared in conformity with GAAP consistently applied, fairly and accurately present the financial condition and income of the subject thereof, as of the date given, and neither contain any untrue statement of a material fact nor fail to state a material fact required in order to make such financial statements not misleading. Since the date of such financial statements, there has been no adverse material change in the financial condition or operations of the subject thereof;
- (e) Consent and Licences. No consent, approval or authorization of, or registration or filing with, any governmental body or authority, or any other Person, firm or entity not a party hereto, is or will be required as a condition to the valid execution, delivery, performance or enforceability of documents contemplate herein, or the transactions contemplated hereby or thereby, or to the conduct of the business of the Borrower;
- (f) Litigation. There is no material litigation either pending or, to the best of its knowledge, threatened against the Credit Parties before any court or administrative agency, or before any arbitrator, which may have a material adverse effect on the assets, business, financial conditions or operations of the Credit Parties, or which would prevent or hinder the performance of the obligations of the Credit Parties under the Agreement, and, furthermore, each Credit Party has not violated any law in any material respect and, to the best of its knowledge, is not the subject of any investigation by a governmental agency that could reasonably be expected to result in an indictment or a forfeiture or seizure of any of its assets; and

(g) Environmental Matters. Each Credit Party, to the best of its knowledge after due investigation, is in compliance in all material respects with all applicable environmental, health and safety statutes and regulations and each Credit Party does not have any material contingent liability in connection with any improper treatment, storage, disposal or release into the environment of any hazardous or toxic waste or substance.

8. COVENANTS OF THE CREDIT PARTIES

8.1 COVENANTS

Until the payment in full of the Loan and until the fulfillment of all of its obligations hereunder, each Credit Party shall comply with the following covenants:

(a) Books and Records. Each Credit Party shall at all times keep accurate and complete books, records and accounts of all of such Credit Party's business activities, prepared in accordance with GAAP consistently applied, and each Credit Party shall permit PTC, or any Persons designated by PTC, at any reasonable time, to inspect, audit and examine such books, records and accounts and to make copies or extracts thereof;

(b) Statements and Reports. Each Credit Party shall furnish to PTC:

(i) within the number of days set forth in Section 15 hereof after the end of each fiscal year of Guarantor, financial statements of Guarantor, which shall include a balance sheet, an income statement showing the results of operations for such a fiscal year and a change in financial position statement for such fiscal year, together, in each case, with the comparable figures for the immediately preceding fiscal year, all in reasonable detail and prepared in accordance with GAAP, consistently applied, which statements shall contain the certification requirements set forth in Section 15 hereof;

(ii) within the number of days set forth in Section 15 hereof after the end of each of the fiscal periods of any Credit Party set forth in Section 15 hereof, financial reports of such Credit Party, which shall include a balance sheet, an income statement showing the results of operations for such fiscal period and a change in financial position statement for such fiscal period, together, in each case, with the comparable figures for the immediately preceding corresponding fiscal period, all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to Section 15 hereof;

(iii) within the number of days set forth in Section 15 hereof after the end of each month of any Credit Parties other than the end of a fiscal period to which Section 8.1(b)(ii) applies, financial reports of such Credit Party, all in reasonable detail and prepared in accordance with GAAP, consistently applied, and containing the certifications required pursuant to section 15 hereof;

(iv) within the number of days set forth in Section 15 hereof prior to the end of each fiscal year of any Credit Party, a detailed forecast for the following fiscal year, including

budgeted cash flows, budgeted income statement and projected balance sheet, all in reasonable detail and accompanied with such backup as PTC may reasonably require;

(v) within ten (10) days after the end of each month a Borrowing Base Certificate which shall include the following:

(A) An aging and listing of all accounts receivable prepared in accordance with GAAP which itemizes each account debtor, including each Lease, by name and addresses and which states the total amount payable to Borrower and contains a breakdown indicating future amounts due and when due, current amounts due, amounts thirty (30) days past due, sixty (60) days past due, and ninety (90) or more days past due, and reflecting any credit adjustments, returns and allowances;

(B) An aging and listing of all accounts payable-trade prepared in a similar manner; and

(C) A calculation of the Delinquency Rate in respect of all Low Score Leases and Low Value Leases forming part of the Borrowing Base and all Eligible Assets, as well as the balance of all amounts held in the Reserve Account that are represented or included in the Borrowing Base (such balance shall be set out for those in respect of Low Score Leases, Low Value Leases and those in respect of all Eligible Assets other than Low Score Leases and Low Value Leases), together with a calculation of all amounts required to be deposited therein pursuant to the Program Agreements;

(vi) within the number of days set forth in Section 15 hereof after the end of each fiscal year of the Borrower, the results of an audit conducted by a reputable and experienced accounting or audit firm in accordance with the Canadian Standards on Assurance Engagements 3416 and have such accounting or audit firm issue a Service Organization Control (SOC) 1 Type II Report and SOC 2 Type II Report (or substantially similar reports in the event such reports are no longer the industry standard), in respect of the Borrower;

(vii) semi-annually, the results of an asset audit, with respect to all of the Eligible Assets, conducted by a reputable and experienced accounting or audit firm selected by PTC; and

(viii) promptly, from time to time, upon request of PTC, such other information concerning the financial condition, business and affairs of each Credit Party as shall be reasonably requested by PTC;

(c) Notices. Each Credit Party shall promptly notify PTC in writing of the occurrence of any Event of Default or any act or event which, with the giving of notice or the passage of time, or both, would be such an Event of Default and of any legal action, proceeding or investigation threatened or instituted against such Credit Party that might have a material adverse effect upon the operations, financial condition or business of the Credit Parties or the Borrower's ability to repay the Loan, or PTC's security interest in the Leases or any of them, and from time to time, at PTC's

request, each Credit Party will furnish to PTC a summary of the status of all such actions, proceedings or investigation;

(d) **Maintain Business.** Each Credit Party shall maintain in full force and effect all material licenses, permits, authorizations, bonds, franchises and other rights necessary or desirable to the profitable conduct of its business, shall continue in, and limit its operations to, the same general lines of business as are presently conducted and shall comply with all applicable laws, orders, regulations and ordinances of all governmental authorities, in all material respects and shall maintain its corporate existence;

(e) **Mergers, Sale of Assets.** Borrower will not, without PTC's prior written consent: (i) sell, lease, transfer or dispose of substantially all of its assets to another entity; or (ii) consolidate with or merge into another entity, permit any other entity to merge into it or consolidate with it, or permit any transfer of the ownership of, or power to control, Borrower;

(f) **Dividends and Other Distributions.** Borrower will not, without PTC's prior written consent, declare, order, pay or make, directly or indirectly any dividend or other distribution or other payment (including any payment on any indebtedness of the Borrower including principal or interest) during the continuance of any Event of Default, or event that with the giving of notice or passage of time would be an Event of Default, provided that the Borrower may make payments in respect of any loan agreement between the Borrower and a Contract Lender, unless prohibited in accordance with the terms of any interlender agreement between PTC and such Contract Lender;

(g) **Indebtedness.** Borrower will not, without PTC's prior written consent,

(i) incur, create, assume or permit to exist any obligation or indebtedness, except

(A) existing indebtedness disclosed on financial statements previously delivered to PTC;

(B) the Loan;

(C) the Magnetar Guarantee or any indebtedness or obligations to the Guarantor or any other affiliate, or a Contract Lender that is subject to an interlender agreement meeting the requirements of section 5.1(c);

(D) other indebtedness and trade obligations and normal accruals in the ordinary course of business including indebtedness to Approved Originators arising under Program Agreements;

(E) other indebtedness subordinated and postponed to repayment of Advances that are subject to a subordination and postponement agreement that is in form and content satisfactory to PTC;

(ii) become liable, directly, or indirectly, as guarantor or otherwise, for any obligation of any other Person, except the Magnetar Guarantee and existing obligations of such kind

previously disclosed to PTC in writing and other than the indebtedness set out in Section 8.1(g)(i) above, in excess of the amount set forth in Section 15;

(h) Lien. Borrower will not, without PTC's prior written consent, agree for any Person, to have the benefit of or recourse to the Borrower's assets other than in respect of the Magnetar Guarantee or in respect of Contract Lenders, except to the extent fully subordinated to the security interest, claims, and liens of PTC under the Security Agreement;

(i) Insurance. Each Credit Party shall maintain and keep in force insurance of the types and amounts customarily carried in its lines of business, including, without limitation, fire, public liability, product liability, property damage and workers' compensation, such insurance to be carried with companies and in amounts satisfactory to PTC, in its reasonable discretion, and each Credit Party shall deliver to PTC from time to time as PTC may request, schedules setting forth all insurance then in effect and copies of the policies;

(j) Debts. Each Credit Party shall pay all permitted debts, legal awards, taxes, levies, penalties, interest and any other obligation, immediately upon such obligation coming due;

(k) Underwriting. Borrower has and will undertake all appropriate underwriting of the Leases and is holding and will hold written proof of the same, on behalf of PTC;

(l) Environmental Matters. Each Credit Party will take all reasonable actions to prevent the occurrence of any material violation of any applicable environmental, health and safety statutes and regulations, or any order or judgment of any court with respect to environmental pollution or contamination, hazardous waste disposal or any other environmental matter and each Credit Party shall promptly give written notice to PTC of the following occurrences and of the steps being taken by such Credit Party, with respect thereto:

(i) notice that such Credit Party's operations are not in full compliance with the requirements of applicable environmental, health and safety statutes and regulations;

(ii) notice that such Credit Party is subject to a governmental investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste or substance into the environment; or

(iii) notice that any properties or assets of such Credit Party are subject to any environmental lien.

(m) Monitoring. The Borrower shall monitor the level of complaints received by it arising from all Eligible Assets acquired by the Borrower and take commercially reasonable steps to address such complaints. If, at any given time, the level of unresolved complaints exceeds 1% (being the percentage of active Obligors with unresolved complaints to total active Obligors), such excess shall be reported to PTC and such unresolved complaints shall be brought below 1% within 30 days; and

(n) Credit and Collection Policies. The Borrower shall not make any changes to the Credit and Collection Policies which will or could potentially have an adverse effect on PTC's security or interest as a lender without receiving prior written consent from PTC. Promptly on request from PTC, the Borrower shall provide to PTC a copy of the Credit and Collection Policies in effect at the time of the request.

(o) Asset Review. At the end of each second fiscal quarter of the Borrower and at the end of each fiscal year of the Borrower, the Borrower will provide PTC and its employees, officers, advisors and other representatives with access to the Borrower's premises upon reasonable notice during regular business hours and will make available for inspection and review such books and records of the Borrower as requested by PTC, including but not limited to the Records and any other books and records of the Borrower reasonably deemed relevant by PTC for the purposes of conducting an inspection of the Borrower's Loan files and related collateral rights, the Borrower's calculation of the Borrowing Base and the Borrower's compliance with this Agreement. The Borrower shall reimburse PTC for its reasonable out of pocket costs incurred with such inspection (including the reasonable fees and disbursements of any professional advisors engaged to assist with such inspection).

8.2 Non-Performing Receivable

If any Eligible Asset funded by the Facility becomes a Non-Performing Asset, the Borrower shall (i) notify PTC in writing of such event and (ii) repay any amount by which the aggregate outstanding amount of Advances hereunder exceeds the Borrowing Base as a result of such Eligible Asset becoming a Non-Performing Asset.

9. EVENTS OF DEFAULT

9.1 EVENTS OF DEFAULT. The occurrence of one or more of the following events shall constitute an Event of Default under this Agreement:

(a) The Borrower defaults in the repayment of any of the amounts payable hereunder, under the Note or any of the Loan Documents and such default is not remedied within 3 Business Days following notice from PTC;

(b) There shall occur a material event of default under any of the Security Agreement, the other Loan Documents and if such event of default is capable of being cured or remedied, such event of default is not cured or remedied within 30 days following notice from PTC;

(c) Any Credit Party (or any Affiliate of a Credit Party) fails to observe or perform any of the covenants, obligations (including payments) conditions and agreements on the part of the Credit Parties (or any Affiliate) contained herein or any other document to which a Credit Party (or any Affiliate) is a party with PTC in any material respect and if such failure is capable of being cured or remedied, such failure is not cured or remedied within 30 days following notice from PTC;

(d) If any representation or warranty made by the Credit Parties (or any Affiliate of a Credit Party) to PTC contained herein or any other document proves to have been untrue in any material respect

when made, and if capable of being remedied, is not so remedied within 30 days following notice from PTC;

(e) Any Credit Party shall be in default in the payment or performance of any material obligation under any indenture, contract, mortgage, law, deed of trust or other agreement or instrument to which such Credit Party is a party or by which it is bound, and if such default is capable of being cured or remedied, is not so cured or remedied within 30 days of notice from PTC;

(f) The dissolution, termination of existence, insolvency, bankruptcy or business failure of any Credit Party, as applicable, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of any Credit Party, or the commencement by or against any Credit Party of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of any Credit Party, or by or against any guarantor or surety for any Credit Party which is not dismissed within 45 days, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against any Credit Party;

(g) Any Credit Party commits or threatens in writing to commit an act of bankruptcy (as defined in the *Bankruptcy and Insolvency Act*);

(h) The institution by any Credit Party of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of any Credit Party;

(i) There shall exist any act, omission, event or undertaking which would, or would reasonably be expected to, singly or in the aggregate, have a materially adverse effect upon (a) the ability of the Credit Parties taken as a whole to perform their respective obligations under this Agreement or any other Loan Document in any material respect, (b) the legality, validity, binding effect, enforceability or admissibility into evidence of any Loan Document the ability of PTC to enforce any rights or remedies under or in connection with any Loan Document or (c) the perfection or priority of the Security granted pursuant to the Security Agreement;

(j) PTC in good faith believes the prospect of repayment of the Loan or performance of the obligations hereunder is or is about to be impaired;

(k) The average Delinquency Rate for any Reporting Period and the two immediately preceding Reporting Periods exceeds 8%; or

(l) The amount on deposit in the Reserve Account is less than 50% of the aggregate required "Cash Reserve Amount" specified under each Program Agreement or as otherwise required under the terms of this Agreement.

10. REMEDIES OF PTC UPON DEFAULT

10.1 REMEDIES. At any time after any Event of Default has occurred, PTC may, without presentment, demand, protest or further notice of any kind (all of which are hereby expressly

waived) and, notwithstanding the provisions contained in any other document or instrument executed or to be executed by the Credit Parties to PTC hereunder or contained in any other agreement, take any one or more of the following actions:

- (a) Declare the entire principal and any accrued interest on the Loan, together with all costs and expenses, to be immediately due and payable, and to enforce payment thereof by any means permitted by law or in equity;
- (b) Without accelerating payment, enforce the payment of sums of principal and interest then due (including any penalty interest or late payment charges);
- (c) Require the Credit Parties to take or refrain from taking any action which may be necessary to cure such Event of Default and to obtain affirmative or negative injunctions or restraining orders with respect thereto;
- (d) File suit for any sums owing or for damages; and
- (e) Exercise any other remedy or right provided in law or in equity or permitted under this Agreement, the Security Agreement or any other Loan Document, including without limitation, the activation of the Blocked Account Agreement in respect of the Collections Account.

10.2 REMEDIES CUMULATIVE

Any and all remedies conferred upon PTC shall be deemed cumulative with, and nonexclusive of any other remedy conferred hereby or by law, and PTC in the exercise of any one remedy shall not be precluded from the exercise of any other.

11. FEES AND EXPENSES

In addition to interest and principal as stated in the Note, Borrower shall pay all costs of closing the Loan and all expenses of PTC with respect thereto, including, but not limited to, inspection fees, due diligence costs and in-house and outside legal fees (including legal fees incurred by PTC subsequent to the closing of the Loan in connection with the enforcement of the Loan), filing fees and similar items. PTC will provide a reasonably detailed summary of such costs and expenses prior to the closing of the Loan. Said costs and expenses may, at PTC's option, be deducted from the disbursements of Loan proceeds hereunder. In addition to any liability Borrower may have under applicable law, Borrower shall pay PTC's attorneys' fees and costs incurred in the collection of any indebtedness hereunder, or in enforcing this Agreement, whether or not suit is brought, and any attorneys' fees and costs incurred by PTC in any proceeding under bankruptcy law in order to collect any indebtedness hereunder or to preserve, protect or realize upon any security for such indebtedness.

12. WAIVER

Any waiver of any of the terms of this Agreement by PTC shall not be construed as a waiver of any other terms of this Agreement, and no waiver shall be effective unless made in writing. The failure of PTC to exercise any right with respect to the declaration of any default shall not be

deemed or construed to constitute a waiver by, or to preclude PTC from exercising any right with respect to such default at a later date or with respect to any subsequent default by Borrower.

13. NOTICES

Any notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be given by personal delivery or by mailing the same, postage prepaid, to the address set forth in Section 15 hereof. Any such notice shall be deemed received for purposes of this Agreement upon delivery if given by personal delivery or three (3) days after the mailing thereof if given by mail. If either party desires to change the address to which notices are to be sent it shall do so in writing and deliver the same to the other party in accordance with the notice provisions set forth above.

14. MISCELLANEOUS

14.1 PARTIES

This Agreement is made solely among Borrower, the Guarantor and PTC, no other Person shall have any right of action hereunder. The parties expressly agree that no Person shall be a third-party beneficiary to this Agreement.

14.2 INDEMNITY

Borrower agrees to indemnify PTC and each of its directors, officers, employees, trustees, advisors and agents (each such Person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable legal fees (on a solicitor and own client basis), disbursements and other charges, incurred by or asserted or awarded against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto, (iii) any claim made against the Borrower in any capacity, any Indemnitee or any Approved Originator by any Obligor arising from, in connection with or relating to the performance of observance of any of the Borrower's or Approved Originator's respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets, (iv) the failure of the Borrower in any capacity or any Approved Originator to perform or observe any of its respective covenants, duties or obligations hereunder, in respect of or relating to any of the Lease Assets or (v) any fine, penalty, sanction, order, or other liability imposed upon or determined against any of the Borrower, in any capacity, any Indemnitee or any Approved Originator by any Governmental Authority in connection with or relating to any Lease Asset; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses have resulted from the gross negligence

or wilful misconduct of any Indemnitee. The provisions of this Section 14.2 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of the Loan, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of PTC. All amounts due under this Section 14.2 shall be payable promptly after written demand therefor.

14.3 ENTIRE AGREEMENT

This Agreement including the Schedules attached hereto and by this reference incorporated herein, together with all other documents hereto, constitutes the entire agreement of the parties hereto and thereto, and no prior agreement or understanding with respect to the Loan, whether written or oral and including, but not limited to, any loan commitment issued by PTC to Borrower, shall be of any further force or effect, all such other prior agreements and commitments having been superseded in their entirety by this Agreement. The effect of this Agreement is to amend and restate the First Restated Agreement in its entirety to read as set forth herein as of the Amendment Effective Date. Any reference to the Original Agreement or the First Restated Agreement shall mean this Agreement (as may be further amended, amended and restated or supplemented from time to time).

14.4 ASSIGNMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns; provided, however, that neither this Agreement nor any rights or obligations hereunder shall be assignable by Borrower without the prior express written consent of PTC first having been obtained, and any purported assignment made in contravention hereof shall be void. Only after the occurrence and during the continuance of an Event of Default, PTC may assign any part of or all of the Loan and its rights and obligations hereunder in its sole discretion. PTC may participate all or any portion of the Loan to such other party or parties as PTC shall select provided that any disclosure of information provided to any participant shall be subject to Section 14.9.

14.5 GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without regard to the conflicts of laws rules of the Province of British Columbia).

14.6 TIME

Time is of the essence hereof.

14.7 SURVIVAL

The representations and warranties hereunder shall survive the closing of the Loan and PTC may enforce such representations and warranties at any time. The covenants of the Credit Parties shall

survive the closing of the Loan and shall be performed fully and faithfully by the Credit Parties at all times. The indemnities of Borrower shall survive repayment of the Loan.

14.8 SEVERABILITY

If any term or provision of this Agreement or any other document, or the application thereof to any circumstance, shall be invalid, illegal or unenforceable to any extent, such term or provision shall not invalidate or render unenforceable any other term or provision of this Agreement or any other Loan Document, or the application of such term or provision to any other circumstance. To the extent permitted by law, the parties hereto hereby waive any provision of law that renders any term or provision hereof invalid or unenforceable in any respect.

14.9 CONFIDENTIALITY

Each party hereto will maintain on a confidential basis (except as otherwise permitted hereunder or as required by applicable law) all information relating to the other party provided to it hereunder by the other parties; provided, however, that this Section shall not apply to any information which (i) was lawfully in the public domain at the time of communication to the first party, (ii) lawfully enters the public domain through no fault of the first party subsequent to the time of communication to the first party, (iii) was lawfully in possession of the first party free of any obligation of confidence at the time of communication to the first party, (iv) was lawfully communicated to the first party free of any obligation of confidence subsequent to the time of initial communication to the first party or (v) was lawfully communicated to any Person free from any obligation of confidence subsequent to the time of communication to the first party.

14.10 INCENTIVES

On the delivery to PTC of a report under Section 8.1(b)(vi) that is satisfactory to PTC, PTC may, in its sole discretion, elect to provide an inducement to the Borrower in respect of such satisfactory report. Such inducement shall be at PTC's sole discretion, but by way of example may include an interest rebate, discount or any other inducement PTC sees fit.

15. STATEMENT OF TERMS

15.1 Maximum Amount of Loan (Section 1): \$25,000,000 (Canadian).

15.2 Interest on the Loan (Section 2.5): BMO Prime + 5.3% P.A.

15.3 End Date (Section 2.8): May 31, 2023.

15.4 Persons Authorized to Requested Advances (Section 5.2): Lawrence Krimker, Sean Milne, Liam Coates and such others as designated by notice in writing.

15.5 Commitment Fee (Section 6.1(a)): 50 bps of the Maximum Amount of Loan, or in the case of an increase to the Maximum Amount of Loan 50 bps of such increase.

15.6 Non-Utilization Fee (Section 6.1(b)): 32.5 bps of the undrawn amount.

15.7 Inspection Fee (Section 6.1(c)): Reasonable charges billed by qualified contractors, along with their related expenses.

15.8 Annual Review/Renewal Fee (Section 6.1(d)): 25 bps of the Maximum Amount of Loan.

15.9 Audited Statements due within 120 days of each fiscal year end (Section 8.1(b)(i)), with audited consolidated financial statements for the 2022 fiscal year due by April 30, 2023

15.10 Statements due within 45 days of each fiscal quarter end (Section 8.1(b)(ii)).

15.11 Effective as of June 30, 2021, monthly unaudited financial statements within 45 days of each month end (Section 8.1(b)(iii)).

15.12 Canadian Standard on Assurance Engagements 3416 audit and associated report due within 150 days following end of the fiscal year (excluding 2022 fiscal year). SOC 1 Type I audit for 2022 fiscal year to commence prior to end of Q1 2023 with a scope to be approved by PTC, acting reasonably.

15.13 Annual forecasts to be received within 90 days of each fiscal year end; provided that for the 2023 fiscal year, the annual forecasts may be delivered on or before April 30, 2023.

15.14 Maximum amount of indebtedness, liabilities or other contingent obligations (Section 8.1(g)(ii)): \$25,000.

15.15 Addresses for Notices (Section 13):

To Borrower:

Simply Green Home Services Inc.
2225 Sheppard Ave. E., Suite 800
Toronto, ON
M2J 5C21

Attention: President

To PTC:

People's Trust Company
1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

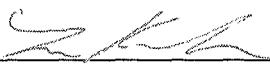
Attention: President and CEO

With a copy to General Counsel and Executive VP & Chief Financial Officer

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

SIMPLY GREEN HOME SERVICES INC.

By:



Name: Lawrence Krimker

Title: President

2775996 ONTARIO INC.

By:

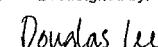


Name: Lawrence Krimker

Title: President

PEOPLES TRUST COMPANY

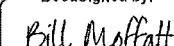
By:

DocuSigned by:


Name: Douglas Lee

Title: SVP Distribution

DocuSigned by:


Bill Moffatt

4CEB2B4BF70B4F8...
Bill Moffatt

C.O.O.

SCHEDULE A

Form of Advance Request

NOTICE OF ADVANCE REQUEST

[Date]

PTC Address

Attention: Contact person

E-MAIL: E-mail address

BORROWING NOTICE

We refer to the Amended and Restated Warehouse Line of Credit Agreement dated as of [●], 2021 (the “**Agreement**”; capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Agreement), entered into by and among Simply Green Home Services Inc. (“**Borrower**”), 2775996 Ontario Inc., and Peoples Trust Company (“**PTC**”).

We hereby instruct and authorize PTC to make Advances to our disbursement account(s), subject to and in accordance with the terms and provisions of the Agreement to the TD Bank account # 5317745, Transit # 14822 and to charge Borrower’s loan account with each such Advance(s).

Borrower hereby request an advance (the “**Advance**”) be made as follows:

A. The date of Advance: ●

B. Type/amount of Advance: CAD: \$ Amount

Borrower hereby confirms as follows:

- (a) Each of the representations and warranties made by each of the Credit Parties in or pursuant to the Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof as if made on and as of such date, except as PTC may have otherwise agreed to herein or in a separate writing.
- (b) No Event of Default has occurred as of the date hereof or will occur after the making of the Advance(s) requested hereunder.
- (c) Each Credit Party is in compliance with each of the covenants set forth in Section 8.1 of the Agreement.
- (d) The Advance(s) requested hereunder will not cause the aggregate principal amount of Advances outstanding under the Agreement to exceed the Borrowing Base or the Maximum Amount of the Loan.

DATED ●.

BORROWER: Simply Green Home Services Inc.

By:

Name:

Title:

SCHEDULE B
BORROWING BASE CERTIFICATE

Date:	Warehouse	Purchase
WH		PCH
Eligible monthly rental rate		-\$
Borrowing base		-\$

[Attach spreadsheet]



	Rental Rate	Warehouse PV	Purchase PV
Amount in purchase facility	-	-	-
Amount in warehouse facility	-	-	-
Warehouse (current batch)	-	-	-

**This is Exhibit “F”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

A handwritten signature in black ink, appearing to read "Katherine Yurkovich".

BF136400C72D4F9

A commissioner for taking affidavits

\$10,000,000 Convertible Debenture

Issued to

PEOPLES TRUST COMPANY

January 19, 2018

Convertible Debenture

Convertible Debenture

Principal: \$10,000,000

January 19, 2018

ARTICLE I INTERPRETATION

1.01 Definitions. For the purposes of this debenture and where the context does not otherwise require, the following terms shall have the following meanings:

“**Amending Agreement**” means the first amending agreement to the Shareholders Agreement, dated on or about the date hereof.

“**BMO Prime**” means, at any time, the posted “prime rate” of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars;

“**Business Day**” means any day on which the chartered banks are open for business in the City of Vancouver;

“**Common Shares**” means the common shares of the Corporation;

“**Conversion Price**” means, at any time, the Conversion Price provided for in section 5.01, as adjusted in accordance with the provisions of section 5.05;

“**Corporation**” means Simply Green Home Services Inc. and any successor corporation;

“**Date of Conversion**” shall have the meaning ascribed thereto by paragraph 5.04(e);

“**Event of Default**” is defined in section 7.01;

“**General Security Agreement**” means the general security agreement granted by the Guarantor in favour of the Holder dated as of the date hereof, as the same may be amended, supplemented, restated or replaced from time to time;

“**Guarantee**” means the guarantee of the Guarantor in favour of the Holder with respect to the Indebtedness dated as of the date hereof, as the same may be amended, supplemented, restated or replaced from time to time;

“**Guarantor**” means Crown Crest Financial Corp., and any successor corporation;

“**Holder**” means Peoples Trust Company, any successor thereto and any other person who becomes a holder of this Debenture pursuant to section 8.02;

“**Indebtedness**” shall have the meaning ascribed thereto by section 2.01;

“**Initial Term**” means the period commencing on the date hereof through June 30, 2019;

“Interest Period” means each monthly period ending on the last day of each month of any year;

“Interest Rate” is defined in section 2.02 hereto;

“person” means any individual, partnership, trust, firm, corporation or other legal entity;

“Security” is defined in section 4.01;

“Shareholders Agreement” means the third amended and restated shareholders agreement dated June 7, 2017 (as amended, restated, supplemented or replaced from time to time) between the Corporation and its shareholders; and

“Term Loan” is defined in section 2.03;

“this debenture”, “hereto”, “herein”, “hereof”, “hereby”, “hereunder”, and similar expressions refer to this debenture and not to any particular paragraph or other portion hereof, and include any and every instrument supplemental or ancillary hereto or in implementation hereof.

1.02 Plurality and Gender, etc. Words importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender and neuter gender.

1.03 Headings. The headings of the articles, paragraphs and sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this debenture.

1.04 Applicable Law. This debenture shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

1.05 Accounting Terms. All accounting terms used herein shall, unless the context otherwise requires, or unless specifically defined herein, have the meanings attributed thereto in accordance with generally accepted accounting principles which are approved by the Canadian Institute of Chartered Accountants as set forth in the publication known as the “CICA Handbook”.

ARTICLE II INDEBTEDNESS

2.01 Promise to Pay. The Corporation, for value received, hereby acknowledges itself indebted and promises to pay upon the expiry of the Initial Term (or such earlier date as the same may become payable as hereinafter provided), upon presentation and surrender of this debenture at the Corporation’s head office at 200 Yorkland Boulevard, Suite 1201, Toronto, Ontario, M2J 5C1 (or at such other place in Canada as the Corporation may designate by notice in writing to the Holder) to or to the order of the Holder the principal sum of TEN MILLION DOLLARS in lawful money of Canada (CAD \$10,000,000) and all other amounts now or hereafter payable hereunder, together with interest thereon in accordance with the provisions of section 2.02, in the *Convertible Debenture*

case of the aforesaid principal amount, from the date hereof, and in the case of costs, charges and expenses from the date on which they were incurred and in the case of all other amounts, from the date on which such other amounts are payable (such principal amount together with all interest and all other amounts now or hereafter payable hereunder being referred to herein collectively as the “**Indebtedness**”)

2.02 Interest. The Corporation shall pay to the Holder during the Initial Term, interest on the outstanding principal amount from time to time of the Indebtedness for each Interest Period at a rate equal to the sum of the BMO Prime rate plus five and three-tenths percent (5.3%) per annum (the “**Interest Rate**”), compounded monthly and based on a year of 360 days. If the Corporation fails to pay any amount of any nature payable by it hereunder on the due date therefor, the Corporation shall pay interest on such overdue amount from and including such due date to but excluding the date of actual payment (as well after as before judgment) at the rate per annum, calculated and compounded quarterly, equal to fifteen percent (15%). Such interest on overdue amounts shall become due and be paid on demand made by the Holder.

2.03 Conversion of Indebtedness to Term Loan. Notwithstanding anything contained in Section 2.01, in the event that the Holder declines to exercise its conversion rights in accordance with Section 5.01 hereof, immediately thereafter, the total outstanding amount of the Indebtedness as at June 30, 2019 shall automatically convert into a five (5) year term loan, amortized over a period of ten (10) years (the “**Term Loan**”). The interest payable on the Term Loan shall (i) for the first five (5) years of the Term Loan be equal to the Interest Rate (calculated as and from the date of conversion of the Indebtedness to a Term Loan), and (ii) anytime thereafter, be equal to the Interest Rate or as otherwise agreed to between the Holder and Corporation, each acting reasonably. If the Holder and the Corporation cannot agree on the applicable Interest Rate after the first five (5) years of the Term Loan, the Holder may present and surrender this debenture as contemplated in Section 2.01 and the Term Loan and accrued interest thereon shall be due on such presentation and surrender. The Term Loan shall be paid by the Corporation in blended payments of principal and interest, which payments shall be due and payable on the 1st day of each calendar month in equal blended payments, with the first such monthly payment commencing on the 1st day of August, 2019 and each month thereafter, for the duration of the Term Loan.

2.04 Calculation and Payment of Interest.

(a) Interest on the outstanding Indebtedness from time to time shall accrue from day to day from and including the date hereof to but excluding the date on which all Indebtedness repaid in full or converted to Common Shares in accordance with the terms hereof (but only to the extent so converted). For the purposes hereof, whenever interest is calculated on the basis of a year of 360 days, each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360.

(b) The Corporation agrees to make interest payments on the first day of each month on the outstanding Indebtedness from time to time at an amount equal to the Interest Rate.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.01 Capital of the Corporation. The authorized and issued share capital of the Corporation consists of an unlimited number of Common Shares, of which 1,883,961 Common Shares are issued and outstanding as fully paid and non-assessable. There are no options, warrants or other rights existing on the part of any person to acquire any shares in the capital of the Corporation other than (i) a warrant dated June 7, 2017 issued to Element Investment Corp., (ii) employee stock options granted under the Corporation's stock option plan to certain employees pursuant to the terms of their employment contracts representing in aggregate options to purchase 123,355 Common Shares and this debenture.

3.02 Authority. The Corporation is duly authorized and empowered to enter into this debenture and to do all things and acts necessary to grant the conversion rights set out in Article V hereof.

3.03 Survival of Representations and Warranties. The foregoing representations and warranties shall be regarded for all purposes as having been made on and as of the date on which the Holder advanced the principal amount hereof and shall survive such advance of funds and shall continue in full force and effect for the benefit of the Holder, notwithstanding any investigation made at any time by or on behalf of the Holder.

ARTICLE IV SECURITY

4.01 General Security Agreement. The Corporation and the Holder hereby agree that the Guarantee and General Security Agreement shall secure the due payment of the Indebtedness and the performance by the Corporation of its obligations and covenants hereunder (collectively, the ("Security").

4.02 Defeasance. The Holder shall, at the written request and at the expense of the Corporation, cancel and discharge all charges and liens hereof and execute and deliver to the Guarantor such deeds or other instruments as shall be requisite to discharge the charges and liens under the General Security Agreement, and to reconvey to the Guarantor the property subject to the charges and liens under the General Security Agreement free and clear of such charges and liens and to effect the cancellation of the registration thereof, and to release the Corporation from the covenants herein contained if the Corporation shall have first paid all of the Indebtedness to the extent, at the times and in the manner provided for herein.

ARTICLE V CONVERSION RIGHTS

5.01 Conversion Right and Price. Upon and subject to the provision and conditions of this Article, in the event that any of the Indebtedness remains outstanding on June 30, 2019, then, on such date, the Holder shall have the right, at its option, to convert the whole of the principal amount of this debenture outstanding as at June 30, 2019 into fully paid and non-assessable Common Shares at a conversion price (the “**Conversion Price**”) equal to a 20% discount to the offering price per Common Share (or subscription receipt) at the time of conversion. For greater certainty, the Conversion Price shall be based on the greater of: (i) the price per Common Share in the Corporation’s most recent equity raise (provided such raise has occurred no later than 6 months prior to the date of the proposed conversion) or (ii) an independent third party valuation of the Corporation in a manner agreed to by both the Holder and Corporation, acting reasonably. Upon conversion, the number of Common Shares to be issued to the Holder will be that certain number of Common Shares which are equivalent in value to the principal amount of this debenture outstanding as at June 30, 2019 at the Conversion Price, meaning, in other words, that the Holder will receive a 20% premium upon the conversion of this debenture into Common Shares, because of the 20% discount to the offering price per Common Share.

5.02 Failure to Exercise Conversion Option. If the Holder declines to exercise its option to convert the whole of the principal amount of this debenture outstanding on June 30, 2019 into fully paid and non-assessable Common Shares in accordance with Section 5.01 hereof, the right of conversion shall be deemed to have expired, and the Indebtedness thereunder shall automatically convert to a term loan in accordance with Section 2.03.

5.03 Board Rights upon Conversion. Upon the conversion of this debenture into Common Shares, the Holder shall have the right to nominate one representative to serve as a member of the board of directors of the Corporation, until such time as the Holder ceases to be, directly or indirectly, a shareholder of the Corporation. The Holder may at any time without the approval of the Corporation remove such nominating Holder’s director and replace such director by depositing written notice at the Corporation’s registered office and sending a copy thereof to such director; provided that a majority of the shareholders of the Corporation consent to the nominated person acting as a director.

5.04 Manner of Exercise of Conversion Right.

(a) Such conversion may be effected by the surrender of this debenture at the office of the Corporation, accompanied by a written instrument of surrender signed by the Holder notifying the Corporation as to the exercise of the right of conversion and specifying the amount of principal hereunder in respect of which this debenture is converted and setting forth the name and address of the person(s) in whose name(s) the shares issuable upon such conversion are to be registered. For greater certainty, no conversion in part or in whole of the principal hereof shall extinguish or satisfy, or relieve the Corporation of its obligation to pay, any interest on such principal amount, or interest on such interest, accruing prior to the effective date of such conversion.

(b) As promptly as practicable after the surrender of this debenture for conversion, the Corporation shall issue to the Holder or its nominee(s) a certificate or certificates representing the number of fully paid and non-assessable Common Shares into which all or any portion of the principal amount hereof has been converted.

(c) In the event that any amounts remain outstanding hereunder after giving effect to such conversion, the Corporation shall issue a new debenture, in form identical to this debenture, *mutatis mutandis*, save that it shall be equal in principal amount to the amount of the Indebtedness outstanding hereunder immediately following such conversion.

(d) No fractional share or scrip representing a fractional share shall be required to be issued upon the conversion of this debenture. If the conversion of this debenture would otherwise result in a fractional share, the Corporation shall, in lieu of issuing such fractional share, pay to the Holder an amount equal to Conversion Price for a whole share.

(e) The conversion of this debenture shall be deemed to have been made at the close of business on the date (the “**Date of Conversion**”) on which this debenture is surrendered for conversion, so that the Holder’s rights in respect of the converted portion shall terminate at such time, and the person or persons entitled to receive shares into which the whole or any part of this debenture is converted shall be treated, as between the Corporation and such person or persons, as having become the holder or holders of record of such shares at such time.

5.05 Adjustment of Conversion Price and Conversion Rights. The Conversion Price and the securities into which this debenture shall be convertible shall be subject to adjustment from time to time as follows:

(a) If and whenever there is a capital reorganization of the Corporation not otherwise provided for in this section 5.05 or a consolidation, merger or amalgamation of the Corporation with or into another body corporate (any such event being called a “**Capital Reorganization**”), the Holder, if it has not exercised its right of a conversion prior to the record date for such Capital Reorganization shall be entitled to receive and shall accept, upon the exercise of such right at any time after the record date for such Capital Reorganization, in lieu of the number of Common Shares to which it was theretofore entitled on conversion, the aggregate number of shares or other securities of the Corporation or the body corporate resulting from the Capital Reorganization that the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the record date, it had been the registered holder of the number of Common Shares to which it was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this section 5.05; provided that no such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the Holder shall thereafter be entitled to receive such number of shares or other securities of the Corporation or of the body corporate resulting from the Capital Reorganization.

(b) In the case of any reclassification of, or other change in, the outstanding Common Shares, other than a Capital Reorganization, the right of conversion shall be adjusted

Convertible Debenture

immediately after the record date for such reclassification or other change so that the Holder shall be entitled to receive, upon the exercise of such right at any time after the record date of such reclassification or other change, such shares as it would have received had this debenture, or any part thereof, been converted into Common Shares immediately prior to such record date, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this section 5.05.

(c) The adjustments provided for in this section 5.05 are cumulative and shall apply to successive subdivisions, redivisions, reductions, reclassifications, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this section.

(d) In the event of any question arising with respect to the adjustments provided for in this section 5.05, such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation and acceptable to the Holder; such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation and the Holder. In the event that any such determination is made, the Corporation shall deliver a certificate of such chartered accountants to the Holder setting out such determination.

ARTICLE VI GENERAL COVENANTS

6.01 Use of Proceeds. The Corporation will use the funds representing the principal amount of this debenture advanced by the Holder to the Corporation for the purposes of refinancing or repayment of certain indebtedness and for general operating purposes.

6.02 Covenants. Until the payment in full of the Indebtedness and until the fulfillment of all of its obligations hereunder, the Corporation shall comply with the following covenants:

(a) **Books and Records.** The Corporation shall at all times keep accurate and complete books, records and accounts of all of the Corporation's business activities, prepared in accordance with GAAP consistently applied, and the Corporation shall permit Holder, or any persons designated by Holder, at any reasonable time, to inspect, audit and examine such books, records and accounts and to make copies or extracts thereof;

(b) **Notices.** The Corporation shall promptly notify Holder in writing of the occurrence of any Event of Default or any act or event which, with the giving of notice or the passage of time, or both, would be such an Event of Default and of any legal action, proceeding or investigation threatened or instituted against the Corporation that might have a material adverse effect upon the operations, financial condition or business of the Corporation or its ability to repay the Indebtedness, and from time to time, at Holder's request, will furnish to Holder a summary of the status of all such actions, proceedings or investigation;

(c) Maintain Business. The Corporation shall maintain in full force and effect all material licenses, permits, authorizations, bonds, franchises and other rights necessary or desirable to the profitable conduct of its business, shall continue in, and limit its operations to, the same general lines of business as are presently conducted and shall comply with all applicable laws, orders, regulations and ordinances of all governmental authorities, in all material respects and shall maintain its corporate existence;

(d) Mergers, Sale of Assets. The Corporation will not, without Holder's prior written consent: (i) sell, lease, transfer or dispose of substantially all of its assets to another entity; or (ii) consolidate with or merge into another entity, permit any other entity to merge into it or consolidate with it, or permit any transfer of the ownership of, or power to control, the Corporation;

(e) Dividends and Other Distributions. Unless otherwise indicated herein, the Corporation will not, without the Holder's prior written consent, declare, order, pay or make, directly or indirectly any dividend or other distribution or other payment or loan, other than as permitted in the Shareholders Agreement;

(f) Indebtedness. The Corporation will not, without the Holder's prior written consent, such consent not to be unreasonably withheld,

(i) incur, create, assume or permit to exist any obligation or indebtedness, except

(A) existing indebtedness disclosed on financial statements previously delivered to the Holder;

(B) other indebtedness and trade obligations and normal accruals in the ordinary course of business;

(C) other indebtedness subordinated and postponed to repayment of the Indebtedness that are subject to a subordination and postponement agreement that is in form and content satisfactory to the Holder;

(ii) become liable, directly, or indirectly, as guarantor or otherwise, for any obligation of any other person, except existing obligations of such kind previously disclosed to the Holder in writing;

(g) Liens. The Corporation will not, without the Holder's prior written consent, agree for any person, to have the benefit of or recourse to the Corporation's assets except to the extent fully subordinated to the claims of the Holder hereunder;

(h) Insurance. The Corporation shall maintain and keep in force insurance of the types and amounts customarily carried in its lines of business, including, without limitation, fire, public liability, product liability, property damage and workers' compensation, such insurance to be carried with companies and in amounts satisfactory to Holder, in its reasonable discretion, and *Convertible Debenture*

the Corporation shall deliver to Holder from time to time as Holder may request, schedules setting forth all insurance then in effect and copies of the policies;

(i) **Debts.** The Corporation shall pay all permitted debts, legal awards, taxes, levies, penalties, interest and any other obligation, immediately upon such obligation coming due;

(j) **Environmental Matters.** The Corporation will take all reasonable actions to prevent the occurrence of any material violation of any applicable environmental, health and safety statutes and regulations, or any order or judgment of any court with respect to environmental pollution or contamination, hazardous waste disposal or any other environmental matter and the Corporation shall promptly give written notice to Holder of the following occurrences and of the steps being taken by the Corporation, with respect thereto:

(i) notice that the Corporation's operations are not in full compliance with the requirements of applicable environmental, health and safety statutes and regulations;

(ii) notice that the Corporation is subject to a governmental investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste or substance into the environment; or

(iii) notice that any properties or assets of the Corporation are subject to any environmental lien.

(k) **Board Observation Right.** While any Indebtedness under this debenture remains outstanding, the Corporation will permit one representative of the Holder (the “**Observer**”) to attend all meetings of the board of directors of the Corporation (whether in person, telephonic or other) in a non-voting, observer capacity and shall provide to the Observer concurrently with the members of such board, and in the same manner, notice of such meeting and a copy of all materials provided to such board members. The Corporation agrees to timely pay all out-of-pocket expenses reasonably incurred by the Observer associated with attending such meetings.

ARTICLE VII DEFAULT AND ENFORCEMENT

7.01 Events of Default. Each and every of the following events shall constitute an event of default hereunder (“**Event of Default**”):

(a) if the Corporation makes default in payment of the Indebtedness or any part thereof after the same becomes due under any provision hereof, provided however, that in the event of a default in payment during the period of the Term Loan, the Corporation shall have five (5) Business Days to cure such default by making all payments owing in connection therewith;

- (b) if the Corporation shall neglect to carry out or observe any of the covenants or conditions in this Agreement (other than those addressed in Section 7.01(a)) and shall fail to remedy such default within ten (10) days after written notice to do so has been given by the Holder to the Corporation;
- (c) if any representation or warranty set out in Article III hereof is untrue or inaccurate as of the date as of which it was made, or if any statement of a material fact made in writing by or on behalf of the Corporation to the Holder in connection with this debenture or any other matter contemplated by this debenture was untrue or incorrect in any material respect as of the date as of which it was made, or omitted information required to make the statement contained therein not materially misleading in the context in which it was made; or
- (d) if the Amending Agreement is terminated, amended or replaced without the prior written consent of the Holder.

7.02 Remedies. Upon the occurrence of an Event of Default, the Holder may (i) declare the Indebtedness to be due and payable and the same shall forthwith become immediately due and payable and the Corporation shall forthwith pay to the Holder the Indebtedness together with subsequent interest thereon at the rate specified in section 2.02 from the date of such declaration until payment is received by the Holder, such subsequent interest to be payable at the times and places and in the moneys mentioned herein, and any collateral security for the Indebtedness shall thereupon become enforceable by the Holder, or (ii) exercise its right of conversion in accordance with Article 5 hereof.

7.03 Remedies Not Exclusive. All rights, powers and remedies of the Holder under this debenture may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or hereafter held by the Holder and any rights, powers and remedies of the Holder however created or arising. No single or partial exercise by the Holder of any of the rights, powers and remedies under this Debenture or under any other security now or hereafter held by the Holder shall preclude any other and further exercise of any other right, power or remedy pursuant to this Debenture or any other security or at law, in equity or otherwise. No delay or omission by the Holder in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof or of any other right, power or remedy.

ARTICLE VIII **MISCELLANEOUS**

8.01 Notices. Any notices to be provided by the Corporation to the Holder or by the Holder to the Corporation shall be given as follows:

if to the Corporation:

Simply Green Home Services Inc.
1201-200 Yorkland Blvd.

Toronto, ON
M2J 5C1

Attention: President

if to the Holder:

People's Trust Company
1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention: President and CEO

With a copy to General Counsel and Executive VP & Chief Financial Officer

8.02 Enurement and Assignment. This debenture shall enure to the benefit of and shall be binding upon the respective successors of the Corporation and the Holder and may be assigned by the Holder, in whole or in part, in which event the Corporation shall attorn in all respects to such assignment and the assignee or assignees thereof.

8.03 Prepayment. The Corporation shall be entitled to prepay any principal owing hereunder at any time without penalty.

8.04 Waiver. Any breach by the Corporation of any of the provisions contained in this debenture or any default by the Corporation in the observance or performance of any covenant or condition required to be observed or performed by the Corporation hereunder may only be waived by the Holder in writing, provided that no such waiver by the Holder shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom. No delay or omission by the Holder in exercising any right or remedy hereunder shall operate as a waiver thereof, or of any breach by the Corporation or any Event of Default giving rise to such right or remedy.

8.05 Amendment, Modification. Except as may be otherwise expressly provided herein, no provision of this debenture may be modified, waived or terminated except by instrument in writing executed by the Holder.

8.06 Further Assurances. The Corporation shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, transfers, assurances or other documents as the Holder shall reasonably require to give effect to or to preserve and perfect the Security or any security interest the Corporation may hereafter become bound to grant to the Holder, for the purpose of accomplishing and effecting the intention of this debenture.

8.07 Severability. If any term or provision of this debenture shall to any extent be invalid or unenforceable, the remainder of this debenture or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall

not be affected thereby and each term or provision of this debenture shall be valid and enforceable to the fullest extent permitted by law.

8.08 Set-Off. The Holder may at any time and from time to time, without notice to the Corporation or to any other person, set off, appropriate and apply any indebtedness and liability of the Holder to the Corporation, matured or unmatured, against and on account of the Indebtedness then due, in such order of application as the Holder may from time to time determine.

8.09 No Merger. This debenture is in addition to, not in substitution for, and shall not be merged in any other agreement, security, instrument or other document now or hereafter held by the Holder.

IN WITNESS WHEREOF the Corporation have executed this Debenture as of the 19 day of January, 2018.

**SIMPLY GREEN HOME SERVICES
INC.**

Name: 

Title: _____

**This is Exhibit “G”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

Katherine Yurkovich

BF136400C72D4F9...

A commissioner for taking affidavits

CROWN CREST FINANCIAL CORP.

as Lessor and Servicer

and

PEOPLES TRUST COMPANY

as Concurrent Lessee.

FOURTH AMENDED AND RESTATED CONCURRENT LEASE AGREEMENT

June 30, 2021

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FOURTH AMENDED AND RESTATED CONCURRENT LEASE AGREEMENT

CONCURRENT LEASE AGREEMENT, dated as of June 30, 2021 (this **Agreement**), between **Crown Crest Financial Corp.**, a company duly incorporated and validly existing under the laws of the Province of Ontario (together with its successors and assigns, the **Lessor**) and **Peoples Trust Company**, a trust company existing under the laws of Canada (**Concurrent Lessee**).

WHEREAS the Lessor, the Concurrent Lessee and Simply Green Home Services Inc. (now Simply Green Home Services Corp.)(the "Guarantor"), as guarantor, entered into a Concurrent Lease Agreement made as of January 19, 2018 (the **Original Agreement**), as amended by an Amended and Restated Concurrent Lease Agreement made as of November 30, 2018 (the **Amended and Restated Agreement**), as further amended by a Second Amended and Restated Concurrent Lease Agreement made as of December 31, 2018, and as further amended by a Third Amended and Restated Concurrent Lease Agreement made as of April 19, 2019 (the **Third Amended and Restated Agreement**), pursuant to which the Lessor leases certain Leased Assets from time to time to the Concurrent Lessee and the Concurrent Lessee leases such Leased Assets from the Lessor;

AND WHEREAS the Lessor and the Concurrent Lessee wish to further amend and restate the Third Amended and Restated Agreement on and subject to the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article 1 - DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Words with initial capital letters in this Agreement (including the above recitals) shall have the meanings set out below:

Additional Term means, in respect of a Concurrent Lease, the balance, if any, of the remaining term of the related Lease after the Lease End Date, less one day; provided that the balance of the remaining term may not exceed the useful life of the applicable Lease Asset.

Additional Term Investment means, at any time, the sum of the Initial Additional Term Prepaid Rent, minus the amount of all ATPR Amortization on any prior Settlement Date, plus the amount of any Subsequent Additional Term Prepaid Rent on any Settlement Date.

Administrative Costs means, in respect of any Lease, all late fees, extension fees and other administrative or similar costs, charges and expenses billed to the applicable Obligor in accordance with the Lessor's customary practice and approved by the Concurrent Lessee, acting reasonably.

Advance Rate means 90%.

Adverse Claim means a security interest, lien, charge, encumbrance or other right or claim, including any filing or registration made in respect thereof, of or through any Person (other than the Concurrent Lessee).

Agreement means this agreement, together with the schedules hereto, as the same may be amended, supplemented, modified, restated or replaced from time to time, and the expressions **hereof**, **herein**, **hereunder**, and **hereby** and similar expressions refer to this agreement and not to any specific article, section, paragraph, subparagraph or clause hereof.

Amortization Event means the occurrence of any of the following events:

- (a) on any Reporting Date as of the end of the related Collection Period, either:
 - (i) the Average Delinquency Rate exceeds 6.5%;
 - (ii) the Average Loss Rate exceeds 2.75%; or
- (b) a Servicer Termination Event;

Amortization Period means the period commencing on the date of occurrence of an Amortization Event and ending on the earlier of (i) the date such Amortization Event is waived by the Concurrent Lessee, in its sole discretion, and (ii) the date on which no further amounts are payable to the Concurrent Lessee hereunder.

Approved Equipment shall mean the following equipment and all equipment ancillary to it, storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment, boiler systems and smart home products, as well as such other types or classes of consumer equipment as may be agreed to by the Lessor and approved by the Concurrent Lessee in writing.

ATPR Amortization means, on any Settlement Date, the amount, if any, by which the Additional Term Investment exceeds the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the ATPR Scheduled Leases on the immediately preceding Settlement Date, excluding all Scheduled Payments, but including all Escalation Amounts, discounted to the date of determination at the Discount Rate.

ATPR Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to each Closing Date plus 1.7% per annum, provided that from and after each 5th anniversary of the date of the Amended and Restated Agreement, the ATPR Funding Rate shall be the greater of (A) 4.5% per annum and (B) the BMO Prime in effect for the 30 days prior to such 5th anniversary plus 1.7% per annum.

ATPR Scheduled Leases means the Leases, the related Approved Equipment of which is the subject of a Concurrent Lease at such time, designated by the Lessor to the Concurrent Lessee by notice in writing on the date of the Amended and Restated Agreement, as such schedule may be amended by the Lessor on any Settlement Date, provided that, for greater certainty, to the

extent any Lease that is an ATPR Scheduled Lease ceases to be subject to a Concurrent Lease hereunder, such Lease shall thereafter cease to be an ATPR Scheduled Lease.

Average Delinquency Rate means for any Reporting Date, the arithmetic mean of the Delinquency Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the Delinquency Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Delinquency Rates for each of the two Collection Periods immediately prior.

Average Loss Rate means for any Reporting Date, the arithmetic mean of the Loss Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the Loss Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Loss Rates for each of the two Collection Periods immediately prior.

Blocked Account Agreement means the blocked account agreement made as of January 30, 2018 between the Lessor and The Toronto-Dominion Bank, as the same may be amended, restated, supplemented or replaced from time to time.

BMO Prime means, at any time, the posted "prime rate" of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

Business Day means any day other than a Saturday, Sunday, or public holiday on which banks are required or permitted to be closed in the Province of Ontario or the Province of British Columbia.

Buyout Purchase Price means the purchase price set out in the Lease at which the Obligor has the option to purchase the Approved Equipment.

Charged-Off Asset means any Lease (i) for which the Servicer has become aware that an Insolvency Event has occurred in respect of the related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Servicer in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease would be charged-off as uncollectible upon the Servicer becoming aware that an Insolvency Event had occurred in respect of the related Obligor; provided that a Lease will cease to be a Charged-Off Asset if all outstanding amounts are paid in full by the Obligor.

Closing Date means, in respect of a Concurrent Lease, the date specified as such in the applicable Concurrent Lease Notice.

Collection Period means a calendar month, provided that the initial Collection Period shall commence on the Cut-Off Date in respect of the initial Concurrent Lease and the final Collection Period shall end on (and include) the Final Collection Date.

Collections means without duplication (i) in respect of any Leased Asset, all cash collections and other cash proceeds in respect thereof and of the related Rights and Receivables (excluding Administrative Costs and Sales Taxes but including payments of rent, interest and principal) received after the applicable Cut-Off Date, (ii) any Deemed Collections in respect of such Leased

Assets, and (iii) the net proceeds of any disposition of the related Leased Asset, except where the proceeds of disposition are payable directly to the Concurrent Lessee.

Collections Account means the account established and maintained in the name of the Lessor as the account owner at The Toronto-Dominion Bank (Branch ID: 14822, Account Number: 5266776) or such other account as is designated by notice to the Lessor as the Collections Account for the purposes hereof, which account shall at all times be subject to a Blocked Account Agreement in form and substance acceptable to the Concurrent Lessee.

Concurrent Lease means each concurrent lease of Approved Equipment entered into in accordance with Article 2.

Concurrent Lease Entitlements has the meaning ascribed thereto in Section 2.6.

Concurrent Lease Notice means the offer by the Lessor to lease Lease Assets to the Concurrent Lessee in the form attached hereto as Schedule "A".

Concurrent Lessee's Proportionate Share means, in respect of the Collections for a Lease, (i) for a Lease that is a ATPR Scheduled Lease or a Second ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments plus all regularly scheduled payments to be made by the Obligor during the Additional Term or Second Additional Term, as applicable, for such Lease required to fully amortize the sum of Prepaid Rent, Initial Additional Term Prepaid Rent, Subsequent Additional Term Prepaid Rent and Second Additional Term Prepaid Rent, as applicable, for such Lease over the sum of the Prescribed Term and the Additional Term or Second Additional Term, as applicable, at the weighted average of the Funding Rate and ATPR Funding Rate or Second ATPR Funding Rate, as applicable, and (ii) for a Lease that is not a ATPR Scheduled Lease or a Second ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments for such Lease required to fully amortize the Prepaid Rent over the Prescribed Term at the Funding Rate.

Credit and Collection Policies means the Lessor's credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Lessor's operating procedures manual, which for greater certainty, has been reviewed and approved by the Concurrent Lessee.

Credit Monitoring Fee means, for a Concurrent Lease on a Closing Date, an amount equal to 3% of the Prepaid Rent plus, if applicable, 3% of the Initial Additional Term Prepaid Rent or Second Additional Term Prepaid Rent.

Cut-Off Date means the date specified as such in the Concurrent Lease Notice.

Deemed Collections means amounts required to be deposited to the Collections Account pursuant to Section 6.5 hereof.

Deferred Rent has the meaning set forth in Section 2.4.

Delinquency Rate means, for any Collection Period, the sum of the outstanding principal balances of Leased Assets other than Charged-Off Assets that are Delinquent Assets at the end of such Collection Period, divided by the Pool Balance at the end of such Collection Period.

Delinquent Asset means a Lease where any amount payable thereunder or any portion thereof is more than 30 days past due.

Discount Rate means, in respect of a Concurrent Lease, a discount rate equivalent to 4% per annum, provided that the Concurrent Lessee may adjust the Discount Rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of Concurrent Leases to be entered into after such date. Any increase in the Discount Rate cannot exceed any net increase in BMO Prime during the calendar year then ended.

Eligible Asset means any Lease:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Lessor or the Concurrent Lessee; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any precondition which has not been fulfilled;
- (b) which is not a Charged-Off Asset or a Delinquent Asset;
- (c) that has a fair market value that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Lessor), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Lessor and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Lessor is not in default in the performance of any of the covenants of the Lessor thereunder;
- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit

opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;

- (i) in which the perfection of the Lessor's rights complies with the requirements of the Credit and Collection Policies in all material respects it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Lessor's rights (except in accordance with Section 2.12 hereof);
- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Receivable and such origination was consistent with the Credit and Collection Policies) or, to the best of the Lessor's knowledge, there are no such proceedings pending against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by the Concurrent Lessee, acting reasonably;
- (m) in respect of which immediately prior to the lease hereunder the Lessor is the legal and beneficial owner of the Lease Asset, the related Receivables and Rights free and clear of any Adverse Claim;
- (n) in respect of which after the Concurrent Lease of the related Equipment to the Concurrent Lessee, the Concurrent Lessee would be the sole legal and beneficial owner of the related Concurrent Lease Entitlements with full right to transfer, sell and encumber such Concurrent Lease Entitlements free and clear of any lien;
- (o) that has not been satisfied, subordinated, waived or rescinded;
- (p) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (q) that was generated in the ordinary course of business;
- (r) except in the case of Low Value Leases, for which all filings or recordings with respect to the Lessor's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests including any further filings, recordings or renewals thereof, have been effected by the Lessor (**Lien Registration**); and
- (s) which satisfies such other criteria as may be added by the Concurrent Lessee in accordance with Section 5.4 from time to time.

Escalation Amount means in respect of a Lease, all monthly amounts payable as rental payments by an Obligor in excess of the Rental Amount.

ETA means Part IX of the *Excise Tax Act* (Canada).

Excess LS Delinquencies is defined in Section 6.2(l).

Excess LS Delinquencies Reimbursement is defined in Section 6.2(l).

Excess LV Delinquencies is defined in Section 6.2(l).

Excess LV Delinquencies Reimbursement is defined in Section 6.2(l).

Final Collection Date means the date on which all Leases subject to Concurrent Leases have been terminated, fully collected and/or written off as uncollectible pursuant to the Credit and Collection Policies.

Finance Charge Collections means Collections in respect of interest and fees (other than Administrative Costs).

Funding Costs, means, in respect of a Settlement Period, the sum of (a) the product of (i) the Investment as of the first day of the Settlement Period and (ii) the weighted average Funding Rate for all Concurrent Leases and the related Settlement Period, plus (b) the product of (i) the Additional Term Investment as of the first day of the Settlement Period, and (ii) the ATPR Funding Rate, plus (c) the product of (i) the Second Additional Term Investment as of the first day of the Settlement Period, and (ii) the Second ATPR Funding Rate.

Funding Rate means:

- (a) in respect of a Concurrent Lease with a Closing Date prior to October 1, 2020, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to such Closing Date plus 1.3% per annum, provided that from and after the 5th anniversary of such Closing Date, the Funding Rate for such Concurrent Lease shall be the greater of (A) 4.5% per annum and (B) the average of BMO Prime for the 30 days in effect prior to such 5th anniversary plus 1.3% per annum, and
- (b) in respect of a Concurrent Lease with a Closing Date on or after October 1, 2020, an annual interest rate equivalent to the greater of (A) 4.5% per annum and (B) the average of BMO Prime for the 30 days in effect prior to such Closing Date plus 1.3% per annum; provided that from and after the 5th anniversary of such Closing Date, the Funding Rate for such Concurrent Lease shall be the greater of (C) 4.5% per annum and (D) the average of BMO Prime for the 30 days in effect prior to such 5th anniversary plus 1.3% per annum.

GAAP means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada or any successor body, applicable as at the date in question and applied on a consistent basis.

Governmental Authority means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

GST/HST means the goods and services tax, harmonized sales tax, and all other amounts payable under the ETA or pursuant to any similar value added tax legislation in any other jurisdiction of Canada or is similar thereto.

Initial Additional Term Prepaid Rent means, at any time, the aggregate, for each ATPR Scheduled Lease, of the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the related ATPR Scheduled Lease, excluding all Scheduled Payments, discounted to the date of determination at the Discount Rate.

Insolvency Event means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up, reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

Investment means at any time the sum of all Prepaid Rent paid (or deemed to have been made) by the Concurrent Lessee to the Lessor, less (i) the sum of all amounts paid to the Concurrent Lessee on account of the Concurrent Lessee's Proportionate Share allocable to the Investment, less (ii) any Funding Costs allocable to the Investment, less (iii) the Rent Rebate allocable to the Investment paid by the Lessor in respect of all Concurrent Leases terminated from time to time.

ITA means the *Income Tax Act (Canada)* and includes any corresponding, applicable provincial income tax statute, and for greater certainty, where this Agreement refers to a specific provision of the ITA, such reference includes a reference to any corresponding provision of an applicable provincial income tax statute.

Lease means a lease or rental agreement or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Originator.

Lease Asset means a Lease together with the related Rights.

Lease End Date means, in respect of any Lease and Concurrent Lease, the Settlement Date immediately following the scheduled date of the last Scheduled Payment under the related Lease.

Leased Assets means the Approved Equipment concurrently leased or purported to be concurrently leased by the Concurrent Lessee hereunder (other than Concurrent Leases terminated hereunder).

Loss Rate means in respect of a Collection Period, net losses in respect of Leases subject to Concurrent Leases divided by the original outstanding net present value of the Leases subject to Concurrent Leases subject to losses during such Collection Period.

Low Score Leases means Leases in respect of which the beacon score of the related Obligor is less than 600 but greater than 500 on the date such Lease is originated.

Low Value Lease means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the original monthly rental amount (excluding taxes) is less than \$45 or a tankless water heater where the original monthly rental amount (excluding taxes) is less than \$65.

Material Adverse Effect means, in respect of any Person or any Lease subject to a Concurrent Lease any effect on it which could reasonably be expected to have an adverse impact on (i) in the case of such Person the ability of such Person to perform its obligations hereunder or under any Related Document, or (ii) the enforceability or collectability of such Lease or (iii) the value of such Lease.

Obligor means in respect of any Lease, the Person or Persons obligated to make payments thereunder.

Originator means in respect of any Lease, the original lessor.

Outstanding Balance means, in respect of a Concurrent Lease, the product of (i) the Advance Rate, and (ii) the sum of the net present values of each unpaid Scheduled Payment plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term or Second Additional Term under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Person means an individual, partnership, corporation, trust, joint venture, unincorporated association, government (or any agency or political subdivision thereof) or other entity.

Pool Balance means at any time the aggregate Outstanding Balance of all Concurrent Leases other than in respect of Charged-Off Assets or Lease Assets where the related Concurrent Lease has been terminated.

Portfolio Report means a report substantially in the form attached hereto as Schedule "C", delivered by the Lessor to the Concurrent Lessee pursuant to Section 6.2(m)).

PPSA means the *Personal Property Security Act* (British Columbia) or the comparable legislation of the other provinces of Canada including, in Québec, the Civil Code of Québec.

Prepaid Rent means the lump sum rent required to prepay the original monthly rental amount due under any Concurrent Leases pursuant to Article 2, which shall be equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment of the applicable Lease Asset, discounted to the related Closing Date at the applicable Discount Rate.

Prescribed Term means, in respect of any Lease at any time, the lesser of 10 years and the remaining term of such Lease at such time less one day.

PST means amounts payable under any statute in Canada imposing a single stage retail sales tax.

Receivables means, in respect of any Lease, all moneys payable with respect to such Lease Asset including all scheduled periodic payments, principal, interest, interchange, extra charges, fees and penalties and other moneys payable by the related Obligor (exclusive of Administrative Costs) during the period from but excluding the Cut-Off Date, to the date when all amounts have been paid under such Lease.

Records means, in respect of any Lease subject to a Concurrent Lease, all contracts (including those evidencing such Lease), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Lessor, hard copies of all data maintained in databases of the Lessor, tapes and disks) maintained by or on behalf of the Lessor in respect of the Lease and the related Obligor.

Related Documents means any agreement, document, exhibit, notice or other communication which has at any time been delivered by the Lessor to the Concurrent Lessee pursuant hereto, including all agreements and documents required hereunder.

Rental Amount means in respect of a Lease, the original regularly-scheduled monthly rental payment amount of the Obligor thereunder (excluding any Escalation Amount).

Rent Rebate means, at any time with respect to any Concurrent Lease in respect of which the Concurrent Lessee made a payment of Prepaid Rent and, if applicable, Initial Additional Term Prepaid Rent or Second Additional Term Prepaid Rent, an amount equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term or Second Additional Term arising under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Replacement Servicer means any Person appointed by the Concurrent Lessee to replace the initial or any subsequent Servicer upon the occurrence of a Servicer Termination Event.

Replacement Servicer Fee has the meaning given to it in Section 7.3.

Reporting Date means in respect of a Collection Period the second Business Day preceding the related Settlement Date.

Rights means, in respect of any Lease, the following:

- (a) all rights and benefits accruing to the Lessor under such Lease, including all right, title and interest in and to the related receivables;
- (b) all of the Lessor's right, title and interest in and to the related Approved Equipment;
- (c) all right in or to payments (including both proceeds and, to the extent the Lessor has any rights therein, premium refunds) under any insurance policies maintained by the

- related Obligor pursuant to the terms of such Lease or by the Lessor in respect of such Lease;
- (d) all claims, demands, actions, damages and indemnities owing to the Lessor under such Lease;
 - (e) the right of the Lessor to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;
 - (f) all of the right, title and interest of the Lessor in, to and under all prepayments made after the Cut-Off Date, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor's obligations in respect of the Lease, whether pursuant to the Lease or otherwise;
 - (g) the related Records; and
 - (h) all proceeds of or relating to any of the foregoing.

Sales Taxes means all federal, provincial and other sales, goods and services, value added, use or other transfer taxes, and all other similar taxes whatsoever, including GST/HST and PST.

Scheduled Payment means, in respect of a Lease, (a) the Rental Amount and (b) the Escalation Amount payable by the Obligor thereunder during a term not exceeding the lesser of (i) the remaining term of the Lease, (ii) ten years and (iii) the remainder of the Prescribed Term.

Second Additional Term means, in respect of a Concurrent Lease, the balance, if any, of the remaining term of the related Lease after the Lease End Date, less one day; provided that the balance of the remaining term may not exceed the lesser of (i) the remaining useful life of the applicable Lease Asset and (ii) 60 months.

Second Additional Term Investment means, on any day, the Second Additional Term Prepaid Rent less (i) the sum of all amounts paid to the Concurrent Lessee on account of the Concurrent Lessee's Proportionate Share in respect of the Second Additional Term, less (ii) any Funding Costs allocable to the Second Additional Term Investment, less (iii) the Rent Rebate allocable to the Second Additional Term Investment paid by the Lessor in respect of all Concurrent Leases that are Second ATPR Leases terminated from time to time.

Second Additional Term Prepaid Rent means, at any time, the aggregate, for each Second ATPR Scheduled Lease, of the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Second Additional Term, of the related Second ATPR Scheduled Lease, excluding all Scheduled Payments, discounted to the date of determination at the Discount Rate.

Second ATPR Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to each Closing Date plus 1.7% per annum, provided that from and after each 5th anniversary of the date of the Third Amended and Restated Agreement, the ATPR Funding Rate shall be the

greater of (A) 4.5% per annum and (B) the BMO Prime for the 30 days in effect prior to such 5th anniversary plus 1.7% per annum.

Second ATPR Scheduled Leases means the Leases, the related Approved Equipment of which is the subject of a Concurrent Lease at such time, designated by the Lessor to the Concurrent Lessee by notice in writing on the date of this Agreement.

Servicer means Lessor in its capacity as servicer hereunder and any Replacement Servicer.

Servicing Fee means in respect of any Settlement Date, a fee not exceeding 0.40% per annum of the Pool Balance at such time.

Servicer Termination Event has the meaning set forth in Section 7.1.

Settlement Date means, in respect of a Collection Period, the 15th calendar day of the calendar month (or the next Business Day if such day is not a Business Day) following the calendar month related to such Collection Period.

Settlement Period means in respect of a Settlement Date, the period commencing on and including the immediately preceding Settlement Date to but excluding such Settlement Date, provided that the first Settlement Period shall commence on and include the date of the Original Agreement and the final Settlement Date shall end on and exclude the Final Collection Date.

Subsequent Additional Term Prepaid Rent means, on a Settlement Date, the amount (if any) by which (a) the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the ATPR Scheduled Leases (as updated on such Settlement Date), excluding all Scheduled Payments, but including all Escalation Amounts, discounted to the date of determination at the Discount Rate, exceeds (b) the Additional Term Investment immediately prior to such Settlement Date.

1.2 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include each gender. Unless the context requires otherwise, any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

1.3 Headings and Table of Contents

The table of contents does not form part of this Agreement. Article and Section headings are not to be considered part of this Agreement, are included solely for convenience of reference and do not define, limit or enlarge the construction or interpretation hereof.

1.4 References to Sections, Articles and Schedules

Unless otherwise provided, all references herein to Sections, Articles or Schedules are references to Sections, Articles and Schedules of or to this Agreement.

1.5 References to Statutes

Unless otherwise provided, all references herein to any statute or any provision thereof shall mean such statute or provision as amended, restated or re-enacted from time to time.

1.6 Certain Phrases

Unless otherwise provided herein, the words "including", "includes" and "include" mean "including (or includes or include) without limitation".

1.7 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without regard to the conflict of laws rules of the Province of British Columbia).

1.8 Invalidity of Provisions

Save and except for any provision or covenant contained herein which is fundamental to the subject matter of this Agreement (including those that relate to the payment of moneys), the invalidity or unenforceability of any provision or covenant hereof or herein contained will not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid or unenforceable provision or covenant will be deemed to be severable.

1.9 Computation of Time Periods

Unless otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

1.10 Non-Business Days

Whenever any payment to be made hereunder shall be stated to be due, any period of time would begin or end, any calculation is to be made or any other action to be taken hereunder shall be stated to be required to be taken, on a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculations shall be made and such other action shall be taken on the next succeeding Business Day.

1.11 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation or presentation is required to be made for the purpose of this Agreement, such determination, consolidation, computation or presentation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed to in writing by the parties, be made in accordance with GAAP applied on a consistent basis. Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to

GAAP applicable as at the date on which such determination, consolidation, computation or presentation is made or required to be made.

1.12 Currency

Unless otherwise provided, all amounts herein are stated in Canadian Dollars.

1.13 Entire Agreement

This Agreement contains the entire agreement between the parties relative to the subject matter hereof and supersedes all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations, and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

1.14 Schedules

The following schedules annexed hereto are incorporated herein by reference and are deemed to be part hereof:

Schedule "A" – Form of Concurrent Lease Notice

Schedule "B" – Lessor's Addresses

Schedule "C" – Form of Portfolio Report (or such other format as mutually agreed upon by the parties)

Article 2 - CONCURRENT LEASE

2.1 Grant of Concurrent Lease

- (a) Upon the terms and subject to the conditions set forth herein, the Lessor may from time to time prior to the occurrence of an Amortization Event, by delivering a completed Concurrent Lease Notice, offer to concurrently lease Approved Equipment to the Concurrent Lessee at least 5 Business Days before a proposed Closing Date. The Concurrent Lessee shall indicate its acceptance of the offer to concurrently lease Approved Equipment by countersigning the Concurrent Lease Notice delivered by the Lessor on or before the proposed Closing Date.
- (b) On each Closing Date, Lessor shall hereby lease to Concurrent Lessee, free and clear of all security interests, liens or other adverse claims other than the leasehold interests of the relevant Obligors, and Concurrent Lessee shall hereby lease from Lessor, the Approved Equipment (as listed on the related Concurrent Lease Notice delivered by Lessor to Concurrent Lessee) with effect as of the Closing Date. It is hereby expressly acknowledged and agreed that the interest of the Concurrent Lessee under each Concurrent Lease in and to the related Approved Equipment is that of a lessee only, and that title to and ownership in all such Approved Equipment shall, subject to Section 2.6, remain vested in the Lessor. It is hereby further expressly acknowledged and agreed that, as of each Closing Date and until the applicable Final Collection Date, the beneficial ownership of the interest of the Lessor in respect of each Lease relating to Leased Assets and the related Collections will automatically vest in the Concurrent Lessee and the

Lessor will hold in trust for the benefit of the Concurrent Lessee the interest of the Lessor under each such Lease and related Collections. It is hereby further expressly acknowledged and agreed that, notwithstanding the grant by the Lessor to the Concurrent Lessee of each Concurrent Lease, the rights of the lessee Obligors with respect to the possession and use of the Approved Equipment shall continue and be the same as under their respective Leases.

- (c) On each Closing Date, the Lessor will pay to the Concurrent Lessee the Credit Monitoring Fee for each Concurrent Lease listed in the applicable Concurrent Lease Notice. The Concurrent Lessee may set off the Credit Monitoring Fee payable for a Concurrent Lease against the Prepaid Rent for that Concurrent Lease paid by the Concurrent Lessee on the Closing Date.
- (d) In its capacity as lessor to the Concurrent Lessee and so that the Concurrent Lessee will not be in violation of its obligation as lessor to the Obligors or any of them, the Lessor hereby covenants and agrees to and in favour of the Concurrent Lessee that at all times during the term of each Concurrent Lease, the Lessor will, in all material respects, comply with and perform each term, condition, representation, warranty and covenant of the lessor contained in each Lease and will not take or omit to take any action in its capacity as owner of the Approved Equipment and lessor under any Concurrent Lease and which would cause any material failure by it to so comply with and perform each term, condition, representation, warranty and covenant required to be complied with or performed by the lessor under each Lease.
- (e) In its capacity as lessee under each Concurrent Lease, the Concurrent Lessee hereby covenants and agrees, to and in favour of the Lessor, to cause and require each Obligor to comply with and perform each term, condition, representation, warranty and covenant required to be complied with or performed by an Obligor under the relevant Lease.

2.2 Terms of Concurrent Leases

- (a) The term of each Concurrent Lease in respect of an item of Approved Equipment shall be deemed to commence at the close of business on the related Closing Date and, unless terminated or deemed terminated earlier in accordance with the provisions hereof, shall terminate on the Lease End Date for the related Lease.
- (b) Notwithstanding Section 2.2(a), the Concurrent Lessee shall, by giving the Lessor notice, have the right to extend (i) the term of all Concurrent Leases outstanding on the date of the Amended and Restated Agreement beyond the relevant Lease End Dates to the end of the Additional Term and (ii) the term of all Concurrent Leases outstanding on the date of this Agreement for which a notice has not been previously given pursuant to this section beyond the relevant Lease End Dates to the end of the Second Additional Term.

It is hereby expressly acknowledged and agreed that the Lessor's title and ownership of the Approved Equipment owned by it shall be subject to the rights of the Concurrent Lessee under each Concurrent Lease with respect to such Approved Equipment, and, consequently, except as otherwise provided herein, upon the termination of the Lease relating to any Approved Equipment (whether upon the expiry of the Term thereof, as a result of a default by the Obligor

thereunder or otherwise), the Concurrent Lessee shall, until the expiry of the term of the Concurrent Lease relating to such Approved Equipment, have the exclusive right to possess, use and lease such Approved Equipment as provided for in this Article 2. Except as provided herein, neither the Concurrent Lessee nor the Lessor shall be entitled to terminate the Concurrent Lease in respect of any or all of the Approved Equipment.

2.3 Rent for Concurrent Lease

In consideration of the grant by the Lessor to the Concurrent Lessee of each Concurrent Lease, the Concurrent Lessee shall pay to the Lessor, on the first day of each calendar month after the Closing Date during the term of each Concurrent Lease, as monthly rent, an amount equal to 99.99% of the sum of all payments forming part of the Scheduled Payments to be made in respect of the Leases of Leased Assets in respect thereof during the related Collection Period. Any Taxes will be added to any amount so paid if applicable.

2.4 Prepaid and Deferred Rent

The Lessor acknowledges and agrees that the Concurrent Lessee may satisfy and discharge its obligations to make all monthly rent payments required by Section 2.3 by (a) paying to the Lessor, on the related Closing Date, as a prepayment of rent, a sum equal to the Prepaid Rent, (b) paying to the Lessor the amounts specified pursuant to and in accordance with Section 3.1 as deferred rent (the Deferred Rent), each of which payments shall be made without the need on the part of the Lessor to provide the Concurrent Lessee with any invoices. The Concurrent Lessee shall be deemed to have elected to make the payments specified in (a) and (b) if it pays the Prepaid Rent on the related Closing Date. In the event the Concurrent Lessee elects to extend the terms of the Concurrent Leases outstanding on the date of the Amended and Restated Agreement or on the date of this Agreement, as applicable, to the end of the Additional Term or Second Additional Term, as applicable, in accordance with Section 2.2(b), the Concurrent Lessee may pay to the Lessor, upon the exercise of its right to extend the terms, as a prepayment of rent, a sum equal to the Initial Additional Term Prepaid Rent plus the Subsequent Additional Term Prepaid Rent as determined on each Settlement Date thereafter or the Second Additional Term Prepaid Rent, as applicable. Concurrently with the payment of the Initial Additional Term Prepaid Rent for an ATPR Scheduled Lease, or the Second Additional Term Prepaid Rent for a Second ATPR Scheduled Lease, the Lessor will pay to the Concurrent Lessee the Credit Monitoring Fee for that ATPR Scheduled Lease or Second ATPR Scheduled Lease. Any Taxes will be added to any of the foregoing amounts so paid if applicable.

2.5 Acknowledgment

The Lessor acknowledges and agrees that, as a consequence of the grant and demise of rights by it to the Concurrent Lessee under this Agreement, and in consideration of the obligation and the liability of the Concurrent Lessee to pay to the Lessor the rent (including any payment by the Concurrent Lessee of Prepaid Rent), as provided for in this Article 2, the Concurrent Lessee shall be entitled, among other things, to receive all Scheduled Payments under the Leases, the Leased Assets relating to which is concurrently leased to the Concurrent Lessee hereunder, as of and from the close of business on the related Closing Date.

2.6 Security Interest

As continuing security for the due and timely payment from time to time by the Lessor of all obligations of the Lessor, the Lessor hereby grants, pledges and charges, to and in favour of the Concurrent Lessee, a first charge and security interest in and to all of the Lessor's right, title and interest, both present and future, in, to and under the following:

- (a) all of the Lessor's right, title and interest in, to and under the Leased Assets and the Leases related thereto including, without limitation, all amounts owed to or received by the Lessor in respect of Collections from any Obligor or other Person, including all liquidation proceeds and subsequent recoveries in respect of the Leased Assets and the related Records;
 - (b) all of the Lessor's right, title and interest in and to all Collections made on or after the related Closing Date and the right to make Collections in respect of the remaining Term thereof made on or after the Closing Date including, without limitation, rights, if any, under direct debit agreements with Obligors, and all cheques, notes, instruments of payment and other remittances relating thereto;
 - (c) all of the Lessor's right, title and interest in and to the related Rights relating to the Leased Assets; and
 - (d) all proceeds from any or all of the foregoing;
- (all of such property and rights being collectively referred to herein as the Concurrent Lease Entitlements). The Lessor and the Concurrent Lessee agree that value has been given for the granting by the Lessor of such charge and security interest, that they have not agreed to postpone the time for attachment with respect thereto and that attachment will occur immediately upon the Lessor acquiring rights to receive any such Collections or other amounts.

2.7 Concurrent Lessee Rights

The Lessor hereby acknowledges that, as a consequence of the granting of the Concurrent Leases hereunder, the Concurrent Lessee through the Servicer on its behalf, shall have the right, at any time, to:

- (a) notify any Obligor of the Concurrent Lease by the Concurrent Lessee of the Leased Assets;
- (b) to the extent that the Lessor has such rights, contact any Obligor for any purpose, including for the performance of audits and verification analyses, and the determination of account balances and other data maintained by the Servicer;
- (c) direct any Obligor to make all payments on account of any Leases directly to the Concurrent Lessee at an address designated by the Concurrent Lessee or to such third party (including the Servicer) or bank or depositary as may be designated by the Concurrent Lessee;

- (d) request any Obligor to change the instructions for any direct debit or electronic funds transfer otherwise payable to the Lessor or the Servicer;
- (e) proceed directly against any Obligor and take any and all other actions, in the Lessor's name or otherwise, necessary or reasonably desirable to collect the Leases, enforce the related Rights or effect any related result; and
- (f) subject to the terms of the related Lease, sell by power of sale any Leased Assets for any price the Concurrent Lessee (or the Servicer on its behalf) deems reasonable in its sole discretion and apply the liquidation proceeds arising from any such sale towards any Rent Rebate arising therefrom.

2.8 Application Fee

The Lessor shall pay to the Concurrent Lessee following the completion of each Concurrent Lease or each extension of a Concurrent Lease for a Second Additional Term, an application fee in respect of such Concurrent Lease in the amount equal to 0.15% of the applicable Prepaid Rent or Second Additional Term Prepaid Rent, as applicable, of the applicable Lease Asset in respect of the concurrent lease or extension by the Concurrent Lessee from the Lessor.

2.9 Payment of GST/HST

The Concurrent Lessee certifies that it is at all relevant times, including at the time of each Concurrent Lease, a registrant under Part IX of the Excise Tax Act (Canada) (the **ETA**) and that its registration number is 10414 3698 RT0001.

2.10 Disqualified Assets

Promptly at any time after a Closing Date upon discovering that an eligibility requirement contained in the definition of "Eligible Asset" was not satisfied with respect to any Leased Asset and Concurrent Lease on the Cut-Off Date where the Concurrent Lessee made a payment of Prepaid Rent, the Lessor shall pay to the Concurrent Lessee an amount equal to the Rent Rebate in respect of the Concurrent Lease. Upon the payment of such amount, the related Concurrent Lease of such Leased Asset will be deemed to have been terminated without the need for any further action. Upon payment of such amount, any incorrectness in any representation or warranty or covenant by the Lessor with respect thereto shall be deemed to have been rectified.

2.11 Termination Rights

Either the Concurrent Lessee or the Lessor may terminate any Concurrent Lease at the end of each calendar year by notice in writing. Upon such termination, in the event Prepaid Rent was paid in respect of the Concurrent Lease, the Lessor shall be obligated to pay the Rent Rebate in respect thereof and shall have a period of up to 180 days to negotiate a repayment schedule with the Concurrent Lessee. Upon payment in full of the Rent Rebate, the related Concurrent Lease of such Leased Asset will be deemed to have been terminated without the need for any further action.

2.12 Security on Past Due Leases

In the case of all Leases (including Low Value Leases) subject to a Concurrent Lease, whether entered into before or after the date of this Agreement, the Lessor shall, or shall cause the Servicer to, file a Lien Registration (to the extent not already filed) no later than the first business week of the calendar month following the date on which any amount payable thereunder or any portion thereof becomes more than 60 days past due. If such Lien Registration is not filed within such time period, Lessor shall indemnify the Concurrent Lessee for losses up to the Buyout Purchase Price in respect of the related Lease in accordance with Section 9.4(a)(ii).

2.13 Liquidated Leases

The parties acknowledge that the Servicer is obligated and exclusively entitled, in accordance with this Agreement, to enforce a defaulted Lease by using its normal practices to take actual possession of and sell the Leased Assets forming the subject matter of such Lease and, if necessary, by enforcing the related Rights. The Servicer shall also be entitled to purchase such Leased Assets for a price deemed by the Servicer to be reasonable for such Leased Assets. Upon the Servicer's enforcement in respect of the Leased Assets which are subject to a Concurrent Lease, the Concurrent Lessee shall, subject to the following sentence, require the Lessor to terminate the related Concurrent Lease. The Concurrent Lease shall be terminated with respect to such Leased Assets as of the date on which the Servicer completes the sale of the Leased Assets to a purchaser thereof. Upon such termination, the Lessor shall be obligated to pay to the Concurrent Lessee, on the date such sale is effected, as a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid Rent and any Subsequent Additional Term Prepaid Rent or any Second Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets, by payment to the Collections Account, the liquidation proceeds from the related Leased Assets and any recoveries against the related Obligor received by the Servicer, and recourse against the Lessor shall be limited to the liquidation proceeds from the related Leased Assets and recoveries against the related Obligor received by the Servicer, and the Lessor irrevocably directs the Servicer to apply such amounts as Collections in accordance with Article 3.

2.14 Sale of Leased Assets

Each party hereto acknowledges that the Servicer may, in accordance with the terms of the related Lease, allow other Persons to purchase the Leased Assets that are subject to a Concurrent Lease hereunder prior to the expiry of a Concurrent Lease. If Leased Assets that are subject to a Concurrent Lease hereunder are sold at any time, then the Concurrent Lease shall be terminated with respect to such Leased Assets as of the date on which the Servicer completes the sale of the Leased Assets to a purchaser thereof. Upon any such termination where the purchaser is the Obligor, the Lessor shall be obligated to pay to the Concurrent Lessee a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid Rent and any Subsequent Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets, by payment into the Collections Account of the proceeds of the sale of the Leased Assets on the date such sale is effected. Upon any such termination where the purchaser is not the Obligor, the Lessor shall be obligated to pay to the Concurrent Lessee a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid

Rent and any Subsequent Additional Term Prepaid Rent or any Second Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets, by payment to the Concurrent Lessee of an amount equal to the Rent Rebate relating to such Concurrent Lease on the date such sale is effected. The Servicer will not agree to any purchase of Leased Assets that would result in the termination of a Concurrent Lease, including without limitation as part of a transaction that involves an Obligor agreeing to lease new Approved Equipment under a new lease, without first obtaining the consent of the Concurrent Lessee.

2.15 Renewal of Leased Assets

Should a Lease in respect of a Leased Asset be renewed by the Lessor or any affiliate without any change or addition to the related Approved Equipment leased thereunder, such renewal must be offered as a Concurrent Lease under this Agreement or offered to be funded through the existing warehouse facilities entered into between the Concurrent Lessee and one or more of Crown Crest Capital Trust, Crown Crest Funding Corp. or Crown Crest Financial Corp. In the event the Concurrent Lessee declines a Concurrent Lease or any such funding in respect of such renewed Lease, the Lessor shall have no further obligations in respect of such Lease under this Section 2.15.

Article 3 - APPLICATION OF COLLECTIONS

3.1 Settlement Procedures

Collections of the Leases subject to Concurrent Leases shall be administered by the Servicer in accordance with the terms of this Agreement. The Lessor shall provide to the Servicer (if other than the Lessor) on a timely basis all information needed for such administration, including notice of the occurrence of any Amortization Event. The Servicer will allocate Collections received from each Obligor in accordance with the Credit and Collection Policies. On each Settlement Date, Collections for the related Collection Period with respect to each Lease subject to a Concurrent Lease, will be applied as follows:

- (a) first, during an Amortization Period only, to the Servicer, the Servicing Fee or following a Servicer Termination Event, to the Replacement Servicer, if any, the Replacement Servicer Fee, in each case to the extent allocable to such Lease;
- (b) second, to be retained by the Concurrent Lessee, the Concurrent Lessee's Proportionate Share of any Collections in respect of the Lease; and
- (c) third, to the Lessor, the remainder as Deferred Rent.

3.2 [Reserved]

3.3 Subsequent Additional Term Prepaid Rent

On each Settlement Date after the Concurrent Lessee has elected to pay the Initial Additional Term Prepaid Rent, the Lessor shall deliver to the Concurrent Lessee an updated schedule of ATPR Scheduled Leases. The amount of any Subsequent Additional Term Prepaid Rent determined following the application of funds pursuant to Section 3.1 and such updated schedule shall be paid by the Concurrent Lessee to the Lessor. The Servicer shall be entitled to

net the amount of any such Subsequent Additional Term Prepaid Rent owing by the Concurrent Lessee on a Settlement Date against amounts otherwise due to the Concurrent Lessee pursuant to Section 3.1 and pay such amounts directly to the Lessor.

Article 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Lessor

The Lessor represents and warrants to the Concurrent Lessee as of the date of the Original Agreement and as of each Closing Date (except as otherwise specified below) that:

- (a) it is (i) a corporation validly existing under the laws of the Province of Ontario; and (ii) duly qualified to carry on business in each jurisdiction in which the failure to be so qualified would reasonably be expected to have a Material Adverse Effect;
- (b) it has full power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated of it hereunder and thereunder;
- (c) it has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to do all acts and things as are required or contemplated of it hereunder and thereunder;
- (d) there are no actions, suits or proceedings pending or to the knowledge of any officer of the Lessor, threatened against or affecting the Lessor or any of its undertakings and assets at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to the Lessor which would reasonably be expected to have a Material Adverse Effect and the Lessor is not in default in respect of any applicable law, rule, regulation, order, judgment, injunction, award or decree as a result of which a Material Adverse Effect would reasonably be expected to occur;
- (e) this Agreement has been duly executed and delivered by the Lessor and constitutes a legally binding obligation of the Lessor enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) the execution and delivery of this Agreement and compliance with its terms and conditions will not (i) result in a violation of the constating documents or by-laws of the Lessor; (ii) result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree; (iii) result in a breach of, or constitute a default under, any loan agreement or any other agreement or instrument to which the Lessor is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect; or (iv) require any approval or consent of, or any notice to or filing with, any Governmental Authority or agency having jurisdiction except such as has already been given, filed or obtained, as the case may be;

- (g) no default has occurred and is outstanding under any loan agreement or any other agreement or instrument to which the Lessor is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect;
- (h) its principal place of business, chief executive office and registered office are located at the address set forth under its name on the signature pages hereto and the offices where it keeps all Records held by it are located at the addresses set out in Schedule "B" hereto or such other addresses as the Lessor shall from time to time notify the Concurrent Lessee;
- (i) it is not a non-resident of Canada within the meaning of the ITA;
- (j) the Lessor has delivered to the Concurrent Lessee all financial information received by the Lessor in respect of each Eligible Asset;
- (k) all federal, provincial and local and foreign national, state, provincial, regional and local and all other tax returns of the Lessor required by applicable law to be filed have been duly filed, and all federal, provincial and local and foreign national, state, provincial, regional and local and all other taxes, assessments and other governmental charges or levies upon the Lessor and its property, income, profits and assets which are due and payable have been paid. The charges, accruals and reserves on the books of the Lessor in respect of federal, provincial and local taxes and foreign national, state, provincial, regional and local taxes for all fiscal years and portions thereof since the organization of the Lessor are in the judgment of the Lessor adequate in all material respect;
- (l) all written information, reports, certificates, financial statements and other papers and data produced by or on behalf of the Lessor and furnished to the Concurrent Lessee, including those in respect of Eligible Assets, were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter, and, no fact is known to the Lessor which has had, or could reasonably be expected to in the future have, a Material Adverse Effect;
- (m) the Lessor is not an "Insolvent Person" as defined in the *Bankruptcy and Insolvency Act* (Canada), and shall not have unreasonably small capital to carry out its businesses as conducted or as proposed to be conducted;
- (n) each Lease Asset in respect of which the related Equipment is offered to be concurrently leased to the Concurrent Lessee hereunder is an Eligible Asset as of the Cut-Off Date; and
- (o) no Amortization Event or Servicer Termination Event has occurred that is continuing.

4.2 Representations and Warranties of the Concurrent Lessee

The Concurrent Lessee represents and warrants to the Lessor as of the date of the Original Agreement that:

- (a) the Concurrent Lessee is (i) a trust company duly organized and validly existing under the *Trust and Loan Companies Act (Canada)*; and (ii) duly qualified to carry on business in each jurisdiction in which the failure to do so would reasonably be expected to have a Material Adverse Effect;
- (b) the Concurrent Lessee has full power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated of it hereunder;
- (c) the Concurrent Lessee has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to do all acts and things as are required or contemplated of it hereunder;
- (d) there are no actions, suits or proceedings pending or to the knowledge of any officer of the Concurrent Lessee, threatened against or affecting the Concurrent Lessee or any of its undertakings and assets at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to the Concurrent Lessee which would reasonably be expected to have a Material Adverse Effect and the Concurrent Lessee is not in default in respect of any applicable law, rule, regulation, order, judgment, injunction, award or decree as a result of which a Material Adverse Effect would reasonably be expected to occur;
- (e) this Agreement has been duly executed and delivered by it and constitutes a legally binding obligation of the Concurrent Lessee enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) the execution and delivery of this Agreement and compliance with its terms and conditions will not (i) result in a violation of its constating documents; (ii) result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree; (iii) result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which the Concurrent Lessee is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect; or (iv) require any approval or consent of, or any notice to or filing with, any Governmental Authority or agency having jurisdiction except such as has already been given, filed or obtained, as the case may be; and
- (g) no default has occurred and is outstanding under any loan agreement, indenture, trust deed or any other agreement or instrument to which the Concurrent Lessee is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect.

4.3 Survival

Representations, warranties and statements of the Lessor and the Concurrent Lessee (or any of them or of any of their respective officers) set forth herein have been relied upon by the

Concurrent Lessee, shall not merge on the completion of the execution and delivery of this Agreement or on the completion of any Concurrent Lease and shall survive thereafter.

Article 5 - COVENANTS

5.1 Delivery of Files and Records

The Servicer will hold the Records relating to the applicable Leased Assets on behalf of the Concurrent Lessee, and will provide a copy of such Records to the Concurrent Lessee upon request.

5.2 Further Assurances

- (a) Each of the Lessor and the Concurrent Lessee will from time to time make, do, execute, endorse, acknowledge and deliver or cause and procure to be made, done, executed, endorsed, acknowledged, filed, registered and delivered any and all further acts and assurances, including without limitation, any conveyance, deed, transfer, assignment or other instrument in writing as, in the opinion of either of such Persons, may be necessary or desirable to give effect to this Agreement and the transactions provided for in this Agreement and will take all such other action as may be required or desirable for more effectually and completely vesting all Rights acquired by the Concurrent Lessee.
- (b) Each of the Lessor and Concurrent Lessee from the period commencing on the Closing Date until the termination of this Agreement, shall maintain in force insurance coverage in areas and amounts customary for its industry.

5.3 General Covenants of the Lessor

The Lessor covenants with the Concurrent Lessee:

- (a) to preserve and maintain its existence, rights, franchises and privileges and to qualify and remain qualified to carry on business in each jurisdiction in which the failure to do so would reasonably be expected to have a Material Adverse Effect;
- (b) to not, except as expressly permitted herein (i) sell, assign (by operation of law or otherwise) or dispose of any part of the Leased Assets; (ii) take any action which may cause the validity, effectiveness or enforceability of the Leased Assets or the related Rights to be impaired; or (iii) take or omit to take any action which may cause an Adverse Claim to attach or extend to or otherwise burden any part of the Leased Assets;
- (c) to comply with all laws (including, without limitation, privacy laws) rules, regulations, orders, judgments, injunctions, awards or decrees applicable to the Lessor or the Leased Assets except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (d) to promptly notify the Concurrent Lessee at least twenty (20) Business Days prior to changing its name from that which is stated in its constating documents;

- (e) to promptly notify the Concurrent Lessee at least twenty (20) Business Days prior to changing the jurisdiction in which its principal place of business, chief executive office or registered office is located;
- (f) to promptly notify the Concurrent Lessee of any amendment, limitation or restriction of any license issued to the Lessor by a regulatory authority relating to the carrying on by the Lessor of its business if such amendment, limitation or restriction would have a Material Adverse Effect;
- (g) to notify the Concurrent Lessee forthwith of the occurrence of any Amortization Event or Servicer Termination Event or of any event which, with the giving of notice of the passage of time, or both, could become an Amortization Event or Servicer Termination Event;
- (h) to not amend or waive the Credit and Collection Policies without the prior written consent of the Concurrent Lessee;
- (i) to not establish or maintain a defined benefit pension plan;
- (j) to make notations in its books, records, documents and instruments relating to the Leased Assets to evidence the interest of the Concurrent Lessee therein; and
- (k) to timely and fully perform and comply with all material terms, covenants and other provisions of the contracts relating to the Leased Assets, including without limitation the Leased Assets, required to be performed by and observed by the Lessor thereunder.

5.4 Amendments to Definition of Eligible Asset

If, at any time, the Concurrent Lessee determines, acting reasonably, that there has been a material change in the information contained in a Portfolio Report from the information contained in any previous Portfolio Report, then the Concurrent Lessee may elect by notice to the Lessor to amend the definition of Eligible Asset so that it contains one or more of the following additional requirements:

- (a) in respect of which there is a parts and labor warranty on the related Leased as issued by a third party insurer that is approved in writing by the Concurrent Lessee (acting reasonably) or the Lessor has otherwise made arrangements with a third party (other than the Obligor or the Lessor) to ensure that any repair and servicing of the related Approved Equipment is conducted and completed as required from time to time;
- (b) if the Lease is a Low Score Lease, the Outstanding Balance of such Lease, together with the Outstanding Balance of all Leases relating to Leased Assets that are Low Score Leases, does not exceed 5% of the Outstanding Balance of all Concurrent Leases at such time; and
- (c) if the Lease is a Low Value Lease, the Outstanding Balance of such Lease, together with the Outstanding Balance of all Leases relating to Leased Assets that are Low Value Leases, does not exceed 35% of the Outstanding Balance of all Leased Assets at such time;

and the definition of Eligible Asset will be deemed to have been amended from the time of delivery of notice of any such election by the Concurrent Lessee to the Lessor.

Article 6 - SERVICING OF PORTFOLIO

6.1 Appointment of the Lessor as Servicer

- (a) The Concurrent Lessee hereby appoints the Servicer to be its exclusive agent for the purposes of servicing the Leased Assets as set out in this Article 6 (it being acknowledged that the Concurrent Lease made hereunder is made on a fully-serviced basis in accordance with this Agreement) and the Lessor hereby accepts such appointment.
- (b) The Lessor may subcontract with a subservicer or sub-originator, provided that such subservicer or sub-originator shall be approved by the Concurrent Lessee acting reasonably, for the servicing or subservicing of the Leased Assets; provided, however, that the Lessor will remain liable to the Concurrent Lessee for the performance of the duties and obligations so subcontracted and all other duties and obligations of the Lessor set forth in this Article 6.
- (c) Except as provided hereunder, the Servicer shall have the exclusive right to service the Leased Assets and the Concurrent Lessee shall not contact any Obligor or inform any Obligor of its interests in the Leased Assets or otherwise take any steps to modify any Leased Assets.

6.2 Servicing of Leased Assets

During the term of this Agreement, unless a Replacement Servicer is designated by the Concurrent Lessee pursuant to Section 7.2, the Lessor covenants to service the Leased Assets with reasonable care using that degree of skill and attention that it exercises with respect to comparable receivables that it services for itself and others and in accordance with the Credit and Collection Policies, and subject to and in accordance with the provisions of this Agreement. Without limiting the generality of the foregoing, the Lessor, unless a Replacement Servicer is designated by the Concurrent Lessee pursuant to Section 7.2, shall and covenants to:

- (a) deposit Collections to the Collections Account (which will, until remitted, be held in trust for the Concurrent Lessee) in respect of such Settlement Period in accordance with Section 6.3;
- (b) hold the Records in trust for the Concurrent Lessee and at any time and from time to time during regular business hours permit the Concurrent Lessee, its agents or representatives upon five (5) Business Days' prior notice to (i) examine and make copies of all such Records in the possession (or under the control) of the Lessor; and (ii) visit the offices and properties of the Lessor for the purpose of examining such Records and discussing matters relating to the Leased Assets and the Lessor's performance under the Leased Assets or hereunder with any of the Lessor's officers or employees having knowledge of such matters;

- (c) maintain and implement prudent and reasonable administrative and operating procedures (including an ability to recreate the Records in the event of the destruction of the originals thereof) and keep and maintain all books, records, documents and other information reasonably necessary or advisable for the identification and collection of the Leased Assets (including records adequate to permit all collections of and reductions or adjustments);
- (d) timely and fully perform and comply with all terms, covenants and other provisions of the Leased Assets required to be performed and observed by it or the Concurrent Lessee;
- (e) comply in all respects with the Credit and Collection Policies in regard to each Leased Asset;
- (f) not, without the prior written consent of the Concurrent Lessee, make any change in the Credit and Collection Policies;
- (g) not extend, amend or otherwise modify or waive any term or condition of any Leased Asset unless permitted in accordance with the terms of the Credit and Collection Policies;
- (h) use its commercially reasonable efforts to collect all Receivables payable in respect of the Leased Assets in accordance with all applicable laws, rules and regulations, the provisions hereof and the Credit and Collection Policies;
- (i) make all payments payable by it to government agencies and others where a statutory lien or deemed trust might arise having priority over the Concurrent Lessee's interest in any part of the Leased Assets; provided that the Lessor may protest the payment of any such amounts if it is acting in good faith and it either provides the Concurrent Lessee with cash in an amount sufficient to satisfy the same or otherwise satisfies the Concurrent Lessee, acting reasonably, that its interests are not prejudiced thereby;
- (j) as soon as possible, effect all filings or recordings with respect to the Concurrent Lessee's interest in all Rights necessary by law or reasonably prudent or desirable for the perfection and protection of such interest and all appropriate renewals or amendments thereof, including, without limitation, such registrations as are required pursuant to Section 2.12 hereof;
- (k) promptly, from time to time, furnish to the Concurrent Lessee such documents, records, information or reports in respect of the Leased Assets or the conditions or operations, financial or otherwise, of the Lessor as may be in existence in written form or, if available in databases maintained by the Lessor, as may be produced with existing software as the Concurrent Lessee may from time to time reasonably request;
- (l) If the Delinquency Rate
 - (i) calculated in respect of Low Score Leases that are Leased Assets exceeds, for any Reporting Period and the two (2) immediately preceding Reporting Periods, 8% (the amount of any excess being the **Excess LS Delinquencies**), the Lessor

shall pay to the Concurrent Lessee, for each Reporting Period (that is, each calendar month) during which such excess exists, an amount equal to \$2,500 (the **Excess LS Delinquencies Reimbursement**), which shall represent a reimbursement for the Concurrent Lessee for the costs incurred by the Concurrent Lessee with respect to the monitoring, analyzing and reporting on the Excess LS Delinquencies. The Lessor and the Concurrent Lessee hereby agree that any such Excess LS Delinquencies Reimbursement is not and shall not be deemed to be a penalty or a fee in any way, but a true representation of the costs that the Concurrent Lessee shall incur in respect of the monitoring, analyzing and reporting on the Excess LS Delinquencies; and

- (ii) calculated in respect of Low Value Leases that are Leased Assets exceeds, for any Reporting Period and the two (2) immediately preceding Reporting Periods, 10% (the amount of any excess being the **Excess LV Delinquencies**), the Lessor shall pay to the Concurrent Lessee, for each Reporting Period (that is, each calendar month) during which such excess exists, an amount equal to \$2,500 (the **Excess LV Delinquencies Reimbursement**), which shall represent a reimbursement for the Concurrent Lessee for the costs incurred by the Concurrent Lessee with respect to the monitoring, analyzing and reporting on the Excess LV Delinquencies. The Lessor and the Concurrent Lessee hereby agree that any such Excess LV Delinquencies Reimbursement is not and shall not be deemed to be a penalty or a fee in any way, but a true representation of the costs that the Concurrent Lessee shall incur in respect of the monitoring, analyzing and reporting on the Excess LV Delinquencies.

For greater certainty, both an Excess LS Delinquencies Reimbursement and an Excess LV Delinquencies Reimbursement may be payable by the Lessor to the Concurrent Lessee for the same Reporting Period.

- (m) on or before each Reporting Date, prepare and deliver to the Concurrent Lessee a Portfolio Report relating to the Receivables payable in respect of the Leased Assets as of the close of business on the last day of the immediately preceding Collection Period; and
- (n) to monitor the level of complaints arising from the Leased Assets received by it and take commercially reasonable steps to address such complaints. If, at any given time, the level of unresolved complaints exceeds 1% (being the percentage of active Obligors with unresolved complaints to total active Obligors) or if the level of total complaints (whether resolved or not) exceeds 5% (as the percentage of active Obligors who have made a complaint to total active Obligors), such excess shall be reported to the next meeting of the board of directors of Crown Crest Capital Management Corp. for a discussion on required management actions in respect of the interests of the Obligors.

6.3 Deposit of Collections

All Collections shall be deposited by the Servicer in the Collections Account within two (2) Business Days of the date of receipt by the Servicer (or, in the case of Deemed Collections, on the date of deemed receipt).

6.4 Power of Attorney

The Concurrent Lessee hereby constitutes and appoints the Servicer the true and lawful attorney of the Concurrent Lessee, with full power of substitution, to execute, deliver and register, for and on behalf of and in the name of the Concurrent Lessee, such documents, instruments or agreements which may be necessary or desirable to enable the Servicer to perform its obligations set out in this Agreement. The Servicer agrees that it will not exercise such power of attorney for any other purpose whatsoever. Such power of attorney is coupled with an interest.

6.5 Deemed Collections

If, on any day prior to the date on which all of the Investment, Additional Term Investment and Second Additional Term Investment are reduced to nil, any Receivable payable in respect of any Leased Asset (i) is extended by the Lessor beyond its original term in a manner inconsistent with the Credit and Collection Policies, (ii) has its Scheduled Payment or any other regularly scheduled payment to be made by the Obligor during the Additional Term reduced by the Lessor in a manner inconsistent with the Credit and Collection Policies, (iii) is reduced or cancelled as a result of any breach by the Lessor of the terms of such Leased Asset, (iv) is reduced or cancelled as a result of a set-off in respect of any claim by the applicable Obligor against the Lessor or the Concurrent Lessee other than as a result of an act or omission of the Concurrent Lessee (whether such claim arises out of the same or a related transaction or an unrelated transaction), (v) is reduced to reflect any adjustment for returns, billing errors, NSF cheques, fraudulent charges and similar payment reconciliations, (vi) is otherwise reduced or cancelled by the Lessor or any subservicer, or (vii) if any fine, penalty, sanction, order or other liability is imposed upon or determined against any of the Lessor, the Concurrent Lessee or any Originator in connection with or relating to any Leased Asset, the Lessor shall be deemed to have received for the Concurrent Lessee's account on the last day of the Collection Period during which such day occurred, a Collection of such Receivable in the amount of such reduction or cancellation, and shall deposit to the Collections Account on the immediately following Settlement Date such amount.

6.6 Payment Terms

- (a) All amounts to be paid or deposited by the Lessor, the Replacement Servicer or the Concurrent Lessee hereunder will be paid or deposited on the day when due in same day funds.
- (b) The Lessor will make all payments required to be made hereunder without deduction or set-off (except as expressly permitted hereunder) regardless of any defense or counterclaim.

Article 7 - SERVICER TERMINATION

7.1 Servicer Termination Events

The happening of any of the following shall constitute a Servicer Termination Event hereunder:

- (a) The Lessor defaults in the payment of any amount due to the Concurrent Lessee hereunder and such default remains unremedied for a period of three (3) Business Days after written notice of such default has been given to the Lessor;
- (b) The Lessor defaults in the observance or performance in any manner of any of its covenants or obligations contained in this Agreement in any material respect (other than those obligations referred to in paragraph (a) above) and, if such default is capable of rectification and remains unremedied for a period of thirty (30) days after the earlier of (i) the date on which written notice of such default has been given to the Lessor by the Concurrent Lessee and (ii) the date on which the Lessor has actual notice of such default;
- (c) any representation or warranty made by the Lessor in or pursuant to this Agreement proves to have been false or incorrect when made in any material respect, and, if the circumstances giving rise to such incorrect representation or warranty are capable of rectification, such representation or warranty remains uncorrected for a period of 30 days after the earlier of (i) the date on which written notice has been given to the Lessor by the Concurrent Lessee specifying the incorrectness and demanding that the circumstances giving rise thereto be rectified and (ii) the date on which the Lessor had actual knowledge of such incorrectness; or
- (d) an Insolvency Event shall occur in respect of the Lessor.

7.2 Designation of Replacement Servicer

- (a) If a Servicer Termination Event has occurred and is continuing, the Concurrent Lessee may designate a Replacement Servicer to succeed the Lessor with respect to the Leased Assets on such terms as it may consider reasonable, provided that any such Person so designated shall agree to perform the duties and obligations of the Lessor provided for in Article 6.
- (b) Upon the appointment of a Replacement Servicer pursuant to Section 7.2(a), the Lessor will, on demand and at its expense: (i) assemble all Records and make them available to the Replacement Servicer; (ii) notify all Obligors (x) of the sale, assignment and transfer to the Concurrent Lessee of the Leased Assets; and (y) to remit all payments due under such Leased Assets to the Replacement Servicer; and (iii) segregate, in a manner reasonably acceptable to the Concurrent Lessee, all cash, cheques and other instruments constituting Collections which are received by it from time to time and remit the same to the Replacement Servicer duly endorsed or with duly executed instruments of transfer, if applicable.

7.3 Replacement Servicer Fee

A Replacement Servicer appointed pursuant to Section 7.2 shall be entitled to a reasonable fee for services rendered, such fee to be determined by the Concurrent Lessee with the Replacement Servicer to a maximum, in respect of any Collection Period, of 15% of the Collections remitted to the Collections Account during such Collection Period (the **Replacement Servicer Fee**). Such Replacement Servicer Fee and any out-of-pocket expenses incurred by the Replacement Servicer in connection with its duties as Replacement Servicer, together with any

applicable Sales Taxes, shall be payable to the Replacement Servicer in accordance with this Agreement.

7.4 Leased Assets

If a Servicer Termination Event has occurred and is continuing, the legal right, title and interest to any Leased Assets related to any Leased Asset which are held by the Lessor in trust for the Concurrent Lessee shall automatically transfer to the Concurrent Lessee upon notice from the Concurrent Lessee to the Lessor.

7.5 Power of Attorney

- (a) The Lessor hereby grants to the Concurrent Lessee, to become effective immediately upon the occurrence of a Servicer Termination Event, an irrevocable power of attorney and hereby irrevocably appoints the Concurrent Lessee as the Lessor's attorney-in-fact, with full power of substitution, to take in the place and stead of and in the name of the Lessor or in the Concurrent Lessee's own name from time to time at the Concurrent Lessee's discretion, acting reasonably, such actions as the Lessor may be obligated to take hereunder or as the Concurrent Lessee may deem necessary or advisable to collect, endorse, negotiate or otherwise realize on any Leased Asset including any related Receivable, any negotiable instrument, or any other right of any kind, held or owned by the Lessor and transferred, assigned or delivered to or received by the Concurrent Lessee as payment on account or otherwise in respect of any of the Leased Assets, including:
 - (i) to evidence or protect the Concurrent Lessee's interest in the Leased Assets and to execute and file, in the Lessor's name and on the Lessor's behalf, such recording, registration, financing or similar statements (including any amendments, renewals and continuation statements) under applicable laws;
 - (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittances and receipts for moneys due and to become due in connection with the Receivables or otherwise owed to the Concurrent Lessee;
 - (iii) to receive, endorse and collect any cheques, drafts or other instruments, documents and chattel paper in connection with moneys due and to become due in connection with the Receivables forming part of the Leased Assets or otherwise owed to the Concurrent Lessee;
 - (iv) to file any claims or take any action or institute any proceedings that the Concurrent Lessee may deem to be necessary or desirable for the collection of any Receivable; and
 - (v) to prepare, execute, deliver, and/or register in the Lessor's name and on the Lessor's behalf, such instruments and documents (including assignments) necessary or desirable in furtherance of the foregoing.

- (b) The power of attorney granted hereby shall be expressly coupled with an interest in favour of the Concurrent Lessee. The powers of attorney and other rights and privileges granted hereby shall survive any dissolution, liquidation or winding-up of the Lessor.

Article 8 - CONDITIONS PRECEDENT

8.1 Conditions to Effectiveness

This Agreement shall become effective on the date of the Original Agreement if the following conditions precedent have been satisfied or waived on or prior to such date and/or the Concurrent Lessee shall have received from the Lessor the following documents, in form and substance satisfactory to the Concurrent Lessee:

- (a) a certificate of an officer of the Lessor, dated the date of the Original Agreement certifying (A) that attached thereto is a true and complete copy of the Certificate and Articles of Incorporation and any amendments thereto, and the by-laws of the Lessor, each as in effect on the date of such certificate; (B) that attached thereto is a true and complete copy of a resolution adopted by the Lessor's board of directors authorizing the execution, delivery and performance of this Agreement and the other Related Documents, and that such resolution has not been modified, rescinded or amended and is in full force and effect; and (C) as to the incumbency and true specimen signature of each of the Lessor's officers executing this Agreement or any of the Related Documents, on which certificate the Concurrent Lessee shall be entitled to conclusively rely until such time as the Concurrent Lessee receives from Lessor a replacement certificate meeting the requirements of this Section 8.1(a);
- (b) a certificate of compliance issued in respect of the Lessor in its jurisdiction of incorporation, and an equivalent certificate from the appropriate authority in each other jurisdiction in which qualification is necessary in order for the Lessor to own or lease its property and conduct its business, each to be certified as of a recent date;
- (c) executed copies of this Agreement and copies of the Credit and Collection Policies;
- (d) reports, satisfactory to the Concurrent Lessee acting reasonably, showing the results of searches conducted against the Lessor under applicable personal property security registers in the provinces where the Leased Assets are located, together with executed copies of all discharges or releases of prior security interests relating to Leased Assets that are then to be sold hereunder; provided that the Lessor may establish that any particular registration does not affect any such Leased Assets by delivering a letter or acknowledgment signed by the applicable secured party;
- (e) a copy of verifications statements or other filings filed in each relevant jurisdiction, that are sufficient to perfect the interests of the Concurrent Lessee as the first priority ownership interest in the Leased Assets as against creditors of the Lessor;
- (f) executed copies of all discharges and releases, if any, necessary to discharge or release all security interest and other rights or interest of any Person in the Rights, previously granted by or through the Lessor and which could constitute an Adverse Claim, together with, where applicable, copies of the relevant financing change statements or other

discharge statements with the registration particulars stamped thereon; and/or appropriate intercreditor agreements with such other parties in form and substance as the Concurrent Lessee may require; and

- (g) such other approvals, opinions or documents as the Concurrent Lessee may reasonably request.

Article 9 - MISCELLANEOUS

9.1 Amendments and Waivers

- (a) This Agreement may be amended, supplemented, modified, restated or replaced by written instrument only signed by the Lessor and the Concurrent Lessee.
- (b) No waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

9.2 Binding Effect; Assignability

This Agreement shall be binding upon and enure to the benefit of the Lessor and the Concurrent Lessee, and their respective successors and assigns.

The Lessor shall not have the right to assign any interest herein without the consent of the Concurrent Lessee, provided however that the Lessor may grant a security interest in all or a portion of the Deferred Rent.

Each of the other parties hereto agrees that, upon such assignment, the assignee or its further assigns may enforce directly, without joinder of the original Concurrent Lessee, the rights set forth in this Agreement. Each of the Lessor and the Concurrent Lessee agrees to grant to any such assignee or its further assigns or its agents such powers of attorney as may be necessary for the exercise of their rights hereunder.

9.3 Notices

Any notice, consent, request, agreement, approval, waiver or other communication required or permitted to be given or delivered hereunder shall, unless otherwise stated herein, be in writing (including photocopy, facsimile, electronic mail or other digital communication) and sent, as to each party hereto, at its address set forth under its name on the signature pages hereto, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective when sent.

9.4 Indemnification

- (a) The Lessor hereby agrees to indemnify the Concurrent Lessee and each of its directors, officers, employees, trustees, advisors and agents, and to save such Person harmless

from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable legal fees and disbursements) awarded against or incurred by any such Person arising out of or as a result of:

- (i) any representation or warranty made or deemed to be made by the Lessor in any capacity (whether as Lessor, Servicer or otherwise) (or any of its officers) in or in connection with this Agreement, any of the Leased Assets, or any Related Document, which was incorrect in any material respect when made or deemed made or delivered;
 - (ii) the failure of the Lessor in any capacity (whether as Lessor, Servicer or otherwise) or any Originator to perform or observe any of its respective covenants, duties or obligations hereunder, in respect of or relating to any of the Leased Assets or under any of the Related Documents, including without limitation, the Lessor's perfection and registration obligations under Section 2.12 hereof;
 - (iii) any claim made against the Lessor in any capacity (whether as Lessor, Servicer or otherwise), the Lender or any Originator by any Obligor arising from, in connection with or relating to the performance of observance of any of the Lessor's or Originator's respective covenants, duties or obligations hereunder, in respect of or relating to any of the Leased Assets or under any of the Related Documents;
 - (iv) the failure to vest in and maintain vested in the Concurrent Lessee, the beneficial interest of the Lessor in and to the Leases relating to the Leased Assets and related Collections which are, or are intended to be transferred to the Concurrent Lessee hereunder, free and clear of any Adverse Claim (whether existing at the time of the Concurrent Lease thereof or arising at any time thereafter);
 - (v) the failure by the Lessor in any capacity (whether as Lessor, Servicer or otherwise) to comply with any applicable law, rule, regulation, order, judgment, injunction, award or decree with respect to any part of the Leased Assets, or the non-conformity of any Leased Asset with any applicable law, rule, regulation, order, injunction, award or decree; and
 - (vi) any fine, penalty, sanction, order, or other liability imposed upon or determined against any of the Lessor in any capacity (whether as Lessor, Servicer or otherwise) the Lender or any Originator by any Governmental Authority in connection with or relating to any Leased Asset.
- (b) The Lessor shall not be liable to the Concurrent Lessee hereunder for any damages, losses, claims, liabilities, costs or expenses resulting solely from the failure of any Obligor to discharge its payment obligations (except as specifically provided in Section 9.4(a)).
 - (c) The Lessor and the Concurrent Lessee each agree to provide reasonable assistance to the other party, at the request of such other party and, in either case, at the Lessor's

expense, in any action, suit or proceeding brought by or against, or any investigation involving such requesting party relating to any of the transactions contemplated hereby or to any part of the Leased Assets. If the Lessor has acknowledged its liability under Section 9.4(a) in respect of any damages, losses, claims, liabilities, costs or expenses in connection with any such action, suit, proceeding or investigation, and, in the sole determination of the Concurrent Lessee, acting reasonably, the Lessor has the financial ability to pay such damages, losses, claims, liabilities, costs and expenses, the Lessor will have the right, on behalf of the Concurrent Lessee but at the Lessor's expense, to defend such action, suit or proceeding, or participate in such investigation, with counsel selected by it, and will have sole discretion as to whether to litigate, appeal or settle.

- (d) The obligations of the Lessor under this Section 9.4 will survive this Agreement and remain in full force and effect for a period up to and including the date that is six years from the Final Collection Date.

9.5 Time of Essence

Time will be of the essence of this Agreement.

9.6 Failure to Perform

If the Lessor fails to perform any of its agreements or obligations hereunder, the Concurrent Lessee may (but will not be required to) itself perform, or cause to be performed, such agreement or obligation at, in the case of any such failure to perform by the Lessor, the cost of the Lessor.

9.7 Confidentiality

Each party hereto will maintain on a confidential basis (except as otherwise permitted hereunder or as required by applicable law) all information relating to the other party provided to it hereunder by the other parties; provided, however, that this Section shall not apply to any information which (i) was lawfully in the public domain at the time of communication to the first party, (ii) lawfully enters the public domain through no fault of the first party subsequent to the time of communication to the first party, (iii) was lawfully in possession of the first party free of any obligation of confidence at the time of communication to the first party, (iv) was lawfully communicated to the first party free of any obligation of confidence subsequent to the time of initial communication to the first party or (v) was lawfully communicated to any Person free from any obligation of confidence subsequent to the time of communication to the first party.

9.8 Further Assurances

The parties hereto agree, from time to time, to enter into such further agreements and to execute all such further instruments as may be reasonably necessary or desirable to give full effect to the terms of this Agreement and to the ability of the Concurrent Lessee to exercise or enforce any of its rights and remedies hereunder.

9.9 Remedies

The remedies herein provided are cumulative and not exclusive of any remedies provided at law.

9.10 Amendment and Restatement

This Agreement amends and restates the Third Amended and Restated Agreement as of the date first written above.

9.11 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 when taken together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CROWN CREST FINANCIAL CORP., as Lessor and Servicer

By:



Name: Lawrence Krimker

Title: President

Address: 2225 Sheppard Ave E., Suite 800
Toronto, ON M2J 5C2

Attention President and CEO

:

Fax No.: 647-846-7475

PEOPLES TRUST COMPANY, as Concurrent Lessee

DocuSigned by:



5A560E9653A943B
Douglas Lee

SVP Distribution

7/23/2021

By:

DocuSigned by:



7/23/2021

4CE92B4BF70B4F8
Name: Bill Moffatt

Title: C.O.O.

Address: 1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention

:

With a copy to General Counsel and
Executive VP & Chief Financial Officer

Fax No.: 604-331-3469

SCHEDULE "A"

FORM OF CONCURRENT LEASE NOTICE

To: Peoples Trust Company ("Concurrent Lessee")

Re: Third Amended and Restated Concurrent Lease Agreement dated as of April 15, 2019 among Concurrent Lessee and the undersigned (the "Concurrent Lease Agreement")

The undersigned hereby gives notice of a concurrent lease pursuant to Section 2.1 of the Concurrent Lease Agreement as follows:

Closing Date:

Cut-Off Date:

Leased Assets: Attached Schedule A

The undersigned hereby represents and warrants that the Lease Assets described in the attached Schedule A are Eligible Assets as of the related Cut-off Date. The undersigned further confirms that all representations and warranties of the Lessor contained in the Concurrent Lease Agreement are true and correct, no Servicer Termination Event has occurred that is continuing, and the Lessor is in compliance with all covenants under the Concurrent Lease Agreement.

Capitalized terms used and not defined in this Concurrent Lease Notice have the meanings set forth in the Concurrent Lease Agreement.

CROWN CREST FINANCIAL CORP., as Lessor and Servicer

By: _____

Name: _____

Title: _____

Accepted:

PEOPLES TRUST COMPANY, as Concurrent Lessee

By: _____

Name: _____

Title:

Schedule A to Concurrent Lease Notice – Attach list of Lease Assets

SCHEDULE "B"

LESSOR'S ADDRESSES

Location of Records:

2225 Sheppard Ave E., Suite 800,
Toronto, ON M2J 5C2

SCHEDULE "C"

FORM OF PORTFOLIO REPORT

(Form attached.)

**This is Exhibit “H”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

katherine Yurkovich

BF136400C72D4F9...

A commissioner for taking affidavits

CROWN CREST CAPITAL TRUST

as Lessor and Servicer

and

PEOPLES TRUST COMPANY

as Concurrent Lessee

CONCURRENT LEASE AGREEMENT

May 29, 2019

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CONCURRENT LEASE AGREEMENT

CONCURRENT LEASE AGREEMENT, dated as of May 29, 2019 (this **Agreement**), between CROWN CREST FUNDING CORP. (the **Trustee**), in its capacity as trustee of CROWN CREST CAPITAL TRUST, a duly formed and validly existing trust under the laws of the Province of Ontario (together with its successors and assigns, the **Lessor**) and PEOPLES TRUST COMPANY, a trust company existing under the laws of Canada (Concurrent Lessee).

WHEREAS the Lessor wishes to lease certain Leased Assets from time to time to the Concurrent Lessee and the Concurrent Lessee wishes to lease such Leased Assets from the Lessor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article 1 - DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Words with initial capital letters in this Agreement (including the above recitals) shall have the meanings set out below:

Additional Term means, in respect of a Concurrent Lease, the balance, if any, of the remaining term of the related Lease after the Lease End Date, less one day; provided that the balance of the remaining term may not exceed the lesser of (i) the remaining useful life of the applicable Lease Asset and (ii) 60 months.

Additional Term Investment means, on any day, the Initial Additional Term Prepaid Rent less (i) the sum of all amounts paid to the Concurrent Lessee on account of the Concurrent Lessee's Proportionate Share in respect of the Additional Term, less (ii) any Funding Costs allocable to the Additional Term Investment, less (iii) the Rent Rebate allocable to the Additional Term Investment paid by the Lessor in respect of all Concurrent Leases that are ATPR Leases terminated from time to time.

Administrative Costs means, in respect of any Lease, all late fees, extension fees and other administrative or similar costs, charges and expenses billed to the applicable Obligor in accordance with the Lessor's customary practice and approved by the Concurrent Lessee, acting reasonably.

Advance Rate means 90%.

Adverse Claim means a security interest, lien, charge, encumbrance or other right or claim, including any filing or registration made in respect thereof, of or through any Person (other than the Concurrent Lessee).

Agreement means this agreement, together with the schedules hereto, as the same may be amended, supplemented, modified, restated or replaced from time to time, and the expressions **hereof**, **herein**, **hereunder**, and **hereby** and similar expressions refer to this agreement and not to any specific article, section, paragraph, subparagraph or clause hereof.

Amortization Event means the occurrence of any of the following events:

- (a) on any Reporting Date as of the end of the related Collection Period, either:

- (i) the Average Delinquency Rate exceeds 6.5%;
 - (ii) the Average Loss Rate exceeds 2.75%; or
- (b) a Servicer Termination Event.

Amortization Period means the period commencing on the date of occurrence of an Amortization Event and ending on the earlier of (i) the date such Amortization Event is waived by the Concurrent Lessee, in its sole discretion, and (ii) the date on which no further amounts are payable to the Concurrent Lessee hereunder.

Approved Equipment shall mean storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment and boiler systems, smart home products as well as such other types or classes of consumer equipment as may be agreed to by the Lessor and approved by the Concurrent Lessee in writing.

ATPR Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to each Closing Date plus 1.7% per annum, provided that from and after each 5th anniversary of the date of this Agreement, BMO Prime for the related Concurrent Leases and the calculation Funding Costs shall be adjusted to BMO Prime in effect on such 5th anniversary plus 1.7% per annum.

ATPR Scheduled Leases means the Leases, the related Approved Equipment of which is the subject of a Concurrent Lease at such time, designated by the Lessor to the Concurrent Lessee by notice in writing on the date of this Agreement, as such schedule may be amended by the Lessor on any Settlement Date, provided that, for greater certainty, to the extent any Lease that is an ATPR Scheduled Lease ceases to be subject to a Concurrent Lease hereunder, such Lease shall thereafter cease to be an ATPR Scheduled Lease.

Average Delinquency Rate means for any Reporting Date, the arithmetic mean of the Delinquency Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the Delinquency Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Delinquency Rates for each of the two Collection Periods immediately prior.

Average Loss Rate means for any Reporting Date, the arithmetic mean of the Loss Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the Loss Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Loss Rates for each of the two Collection Periods immediately prior.

Blocked Account Agreement means the blocked account agreement to be entered into between the Trustee, the Lessor and The Toronto-Dominion Bank within 20 Business days of the date of this Agreement, as the same may be amended, restated, supplemented or replaced from time to time.

BMO Prime means, at any time, the posted "prime rate" of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

Business Day means any day other than a Saturday, Sunday, or public holiday on which banks are required or permitted to be closed in the Province of Ontario or the Province of British Columbia.

Charged-Off Asset means any Lease (i) for which the Servicer has become aware that an Insolvency Event has occurred in respect of the related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Servicer in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease would be charged-off as uncollectible upon the Servicer becoming aware that an Insolvency Event had occurred in respect of the related Obligor; provided that a Lease will cease to be a Charged-Off Asset if all outstanding amounts are paid in full by the Obligor.

Closing Date means, in respect of a Concurrent Lease, the date specified as such in the applicable Concurrent Lease Notice.

Collection Period means a calendar month, provided that the initial Collection Period shall commence on the Cut-Off Date in respect of the initial Concurrent Lease and the final Collection Period shall end on (and include) the Final Collection Date.

Collections means without duplication (i) in respect of any Leased Asset, all cash collections and other cash proceeds in respect thereof and of the related Rights and Receivables (excluding Administrative Costs and Sales Taxes but including payments of rent, interest and principal) received after the applicable Cut-Off Date, (ii) any Deemed Collections in respect of such Leased Assets, and (iii) the net proceeds of any disposition of the related Leased Asset, except where the proceeds of disposition are payable directly to the Concurrent Lessee.

Collections Account means the account established and maintained in the name of the Lessor as the account owner at The Toronto-Dominion Bank (Branch ID: 31382, Account Number: 5237256) or such other account as is designated by notice to the Lessor as the Collections Account for the purposes hereof, which account shall at all times be subject to a Blocked Account Agreement in form and substance acceptable to the Concurrent Lessee.

Concurrent Lease means each concurrent lease of Approved Equipment entered into in accordance with Article 2.

Concurrent Lease Entitlements has the meaning ascribed thereto in Section 2.6.

Concurrent Lease Notice means the offer by the Lessor to lease Lease Assets to the Concurrent Lessee in the form attached hereto as Schedule "A".

Concurrent Lessee's Proportionate Share means, in respect of the Collections for a Lease, (i) for a Lease that is a ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments plus all payments of escalations plus all regularly scheduled payments to be made by the Obligor during the Additional Term for such Lease required to fully amortize the sum of Prepaid Rent and Initial ATPR for such Lease over the sum of the Prescribed Term and the Additional Term at the weighted average of the Funding Rate and ATPR Funding Rate and (ii) for a Lease that is not a ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments plus all payments of escalations for such Lease required to fully amortize the Prepaid Rent over the Prescribed Term at the Funding Rate.

Credit and Collection Policies means the Lessor's credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Lessor's operating procedures manual, which for greater certainty, has been reviewed and approved by the Concurrent Lessee.

Credit Monitoring Fee means, for a Concurrent Lease on a Closing Date, an amount equal to 3% of the Prepaid Rent, plus, if applicable, 3% of the Initial Additional Term Prepaid Rent.

Cut-Off Date means the date specified as such in the Concurrent Lease Notice.

Deemed Collections means amounts required to be deposited to the Collections Account pursuant to Section 6.5 hereof.

Deferred Rent has the meaning set forth in Section 2.4.

Delinquency Rate means, for any Collection Period, the sum of the outstanding principal balances of Leased Assets other than Charged-Off Assets that are Delinquent Assets at the end of such Collection Period, divided by the Pool Balance at the end of such Collection Period.

Delinquent Asset means a Lease where any amount payable thereunder or any portion thereof is more than 30 days past due.

Discount Rate means, in respect of a Concurrent Lease, a discount rate equivalent to 4 % per annum, provided that the Concurrent Lessee may adjust the Discount Rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of Concurrent Leases to be entered into after such date. Any increase in the Discount Rate cannot exceed any net increase in BMO Prime during the calendar year then ended.

Eligible Asset means any Lease:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Lessor or the Concurrent Lessee; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any precondition which has not been fulfilled;
- (b) which is not a Charged-Off Asset or a Delinquent Asset;
- (c) that has a fair market value that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Lessor), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Lessor and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Lessor is not in default in the performance of any of the covenants of the Lessor thereunder;

- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;
- (i) in which the perfection of the Lessor's rights complies with the requirements of the Credit and Collection Policies in all material respects it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Lessor's rights;
- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Receivable and such origination was consistent with the Credit and Collection Policies) or, to the best of the Lessor's knowledge, there are no such proceedings pending against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by the Concurrent Lessee, acting reasonably;
- (m) in respect of which immediately prior to the lease hereunder the Lessor is the legal and beneficial owner of the Lease Asset, the related Receivables and Rights free and clear of any Adverse Claim;
- (n) in respect of which after the Concurrent Lease of the related Equipment to the Concurrent Lessee, the Concurrent Lessee would be the sole legal and beneficial owner of the related Concurrent Lease Entitlements with full right to transfer, sell and encumber such Concurrent Lease Entitlements free and clear of any lien;
- (o) that has not been satisfied, subordinated, waived or rescinded;
- (p) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (q) that was generated in the ordinary course of business;
- (r) except in the case of Low Value Leases, for which all filings or recordings with respect to the Lessor's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests including any further filings, recordings or renewals thereof, have been effected by the Lessor (Lien Registration); and
- (s) which satisfies such other criteria as may be added by the Concurrent Lessee in accordance with Section 5.4 from time to time.

ETA means Part IX of the *Excise Tax Act* (Canada).

Excess LV Delinquencies is defined in Section 6.2(l).

Excess LV Delinquencies Reimbursement is defined in Section 6.2(l).

Final Collection Date means the date on which all Leases subject to Concurrent Leases have been terminated, fully collected and/or written off as uncollectible pursuant to the Credit and Collection Policies.

Finance Charge Collections means Collections in respect of interest and fees (other than Administrative Costs).

Funding Costs means, in respect of a Settlement Period, the sum of (a) the product of (i) the Investment as of the first day of the Settlement Period and (ii) the weighted average Funding Rate for all Concurrent Leases and the related Settlement Period, plus (b) the product of (i) the Additional Term Investment as of the first day of the Settlement Period, and (ii) the ATPR Funding Rate.

Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to each Closing Date plus 1.3% per annum, provided that from and after the 5th anniversary of each Closing Date, BMO Prime for the related Concurrent Leases and the calculation Funding Costs shall be adjusted to BMO Prime in effect on such 5th anniversary plus 1.3% per annum.

GAAP means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada or any successor body, applicable as at the date in question and applied on a consistent basis.

Governmental Authority means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

GST/HST means the goods and services tax, harmonized sales tax, and all other amounts payable under the ETA or pursuant to any similar value added tax legislation in any other jurisdiction of Canada or is similar thereto.

Initial Additional Term Prepaid Rent means, at any time, the aggregate, for each ATPR Scheduled Lease, of the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the related ATPR Scheduled Lease, excluding all Scheduled Payments, but including all escalations in the rental payments the Lessor is entitled to, discounted to the date of determination at the Discount Rate.

Insolvency Event means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up, reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

Investment means at any time the sum of all Prepaid Rent paid (or deemed to have been made) by the Concurrent Lessee to the Lessor, less (i) the sum of all amounts paid to the Concurrent Lessee on account of the Concurrent Lessee's Proportionate Share allocable to the Investment,

less (ii) any Funding Costs allocable to the Investment, less (ii) the Rent Rebate allocable to the Investment paid by the Lessor in respect of all Concurrent Leases terminated from time to time.

ITA means the *Income Tax Act (Canada)* and includes any corresponding, applicable provincial income tax statute, and for greater certainty, where this Agreement refers to a specific provision of the ITA, such reference includes a reference to any corresponding provision of an applicable provincial income tax statute.

Lease means a lease or rental agreement or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Originator.

Lease Asset means a Lease together with the related Rights.

Lease End Date means, in respect of any Lease and Concurrent Lease, the Settlement Date immediately following the scheduled date of the last Scheduled Payment under the related Lease.

Leased Assets means the Approved Equipment concurrently leased or purported to be concurrently leased by the Concurrent Lessee hereunder (other than Concurrent Leases terminated hereunder).

Loss Rate means in respect of a Collection Period, net losses in respect of Leases subject to Concurrent Leases divided by the original outstanding net present value of the Leases subject to Concurrent Leases subject to losses during such Collection Period.

Low Value Lease means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the original monthly rental payment (excluding taxes) is less than \$45 or a tankless water heater where the original monthly rental payment (excluding taxes) is less than \$65.

Material Adverse Effect means, in respect of any Person or any Lease subject to a Concurrent Lease any effect on it which could reasonably be expected to have an adverse impact on (i) in the case of such Person the ability of such Person to perform its obligations hereunder or under any Related Document, or (ii) the enforceability or collectability of such Lease or (iii) the value of such Lease.

Obligor means in respect of any Lease, the Person or Persons obligated to make payments thereunder.

Originator means in respect of any Lease, the original lessor.

Outstanding Balance means, in respect of a Concurrent Lease, the product of (i) the Advance Rate, and (ii) the sum of the net present values of each unpaid Scheduled Payment plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Person means an individual, partnership, corporation, trust, joint venture, unincorporated association, government (or any agency or political subdivision thereof) or other entity.

Pool Balance means at any time the aggregate Outstanding Balance of all Concurrent Leases other than in respect of Charged-Off Assets or Lease Assets where the related Concurrent Lease has been terminated.

Portfolio Report means a report substantially in the form attached hereto as Schedule "C" delivered by the Lessor to the Concurrent Lessee pursuant to Section 6.2(m)).

PPSA means the *Personal Property Security Act* (British Columbia) or the comparable legislation of the other provinces of Canada including, in Québec, the Civil Code of Québec.

Prepaid Rent means the lump sum rent required to prepay the original monthly rental payments due under any Concurrent Leases pursuant to Article 2, which shall be equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment of the applicable Lease Asset, discounted to the related Closing Date at the applicable Discount Rate.

Prescribed Term means, in respect of any Lease at any time, the lesser of 180 months and the remaining term of such Lease at such time.

PST means amounts payable under any statute in Canada imposing a single stage retail sales tax.

Receivables means, in respect of any Lease, all moneys payable with respect to such Lease Asset including all scheduled periodic payments, principal, interest, interchange, extra charges, fees and penalties and other moneys payable by the related Obligor (exclusive of Administrative Costs) during the period from but excluding the Cut-Off Date, to the date when all amounts have been paid under such Lease.

Records means, in respect of any Lease subject to a Concurrent Lease, all contracts (including those evidencing such Lease), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Lessor, hard copies of all data maintained in databases of the Lessor, tapes and disks) maintained by or on behalf of the Lessor in respect of the Lease and the related Obligor.

Related Documents means any agreement, document, exhibit, notice or other communication which has at any time been delivered by the Lessor to the Concurrent Lessee pursuant hereto, including all agreements and documents required hereunder.

Rental Amount means in respect of a Lease, the original regularly-scheduled monthly rental payment amount of the Obligor thereunder plus any escalations to the Closing Date.

Rent Rebate means, at any time with respect to any Concurrent Lease in respect of which the Concurrent Lessee made a payment of Prepaid Rent and, if applicable, Initial Additional Term Prepaid Rent, an amount equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term arising under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Replacement Servicer means any Person appointed by the Concurrent Lessee to replace the initial or any subsequent Servicer upon the occurrence of a Servicer Termination Event.

Replacement Servicer Fee has the meaning given to it in Section 7.3.

Reporting Date means in respect of a Collection Period the second Business Day preceding the related Settlement Date.

Rights means, in respect of any Lease, the following:

- (a) all rights and benefits accruing to the Lessor under such Lease, including all right, title and interest in and to the related receivables;
- (b) all of the Lessor's right, title and interest in and to the related Approved Equipment;

- (c) all right in or to payments (including both proceeds and, to the extent the Lessor has any rights therein, premium refunds) under any insurance policies maintained by the related Obligor pursuant to the terms of such Lease or by the Lessor in respect of such Lease;
- (d) all claims, demands, actions, damages and indemnities owing to the Lessor under such Lease;
- (e) the right of the Lessor to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;
- (f) all of the right, title and interest of the Lessor in, to and under all prepayments made after the Cut-Off Date, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor's obligations in respect of the Lease, whether pursuant to the Lease or otherwise;
- (g) the related Records; and
- (h) all proceeds of or relating to any of the foregoing.

Sales Taxes means all federal, provincial and other sales, goods and services, value added, use or other transfer taxes, and all other similar taxes whatsoever, including GST/HST and PST.

Scheduled Payment means, in respect of a Lease, the Rental Amount payable by the Obligor thereunder during a term not exceeding the lesser of (i) the remaining term of the Lease, (ii) 180 months and (iii) the remainder of the Prescribed Term.

Servicer means Lessor in its capacity as servicer hereunder and any Replacement Servicer.

Servicing Fee means in respect of any Settlement Date, a fee not exceeding 0.40% per annum of the Pool Balance at such time.

Servicer Termination Event has the meaning set forth in Section 7.1.

Settlement Date means, in respect of a Collection Period, the 15th calendar day of the calendar month (or the next Business Day if such day is not a Business Day) following the calendar month related to such Collection Period.

Settlement Period means in respect of a Settlement Date, the period commencing on and including the immediately preceding Settlement Date to but excluding such Settlement Date, provided that the first Settlement Period shall commence on and include the date hereof and the final Settlement Date shall end on and exclude the Final Collection Date.

1.2 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include each gender. Unless the context requires otherwise, any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

1.3 Headings and Table of Contents

The table of contents does not form part of this Agreement. Article and Section headings are not to be considered part of this Agreement, are included solely for convenience of reference and do not define, limit or enlarge the construction or interpretation hereof.

1.4 References to Sections, Articles and Schedules

Unless otherwise provided, all references herein to Sections, Articles or Schedules are references to Sections, Articles and Schedules of or to this Agreement.

1.5 References to Statutes

Unless otherwise provided, all references herein to any statute or any provision thereof shall mean such statute or provision as amended, restated or re-enacted from time to time.

1.6 Certain Phrases

Unless otherwise provided herein, the words "including", "includes" and "include" mean "including (or includes or include) without limitation".

1.7 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein (without regard to the conflict of laws rules of the Province of British Columbia).

1.8 Invalidity of Provisions

Save and except for any provision or covenant contained herein which is fundamental to the subject matter of this Agreement (including those that relate to the payment of moneys), the invalidity or unenforceability of any provision or covenant hereof or herein contained will not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid or unenforceable provision or covenant will be deemed to be severable.

1.9 Computation of Time Periods

Unless otherwise provided herein, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding".

1.10 Non-Business Days

Whenever any payment to be made hereunder shall be stated to be due, any period of time would begin or end, any calculation is to be made or any other action to be taken hereunder shall be stated to be required to be taken, on a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculations shall be made and such other action shall be taken on the next succeeding Business Day.

1.11 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation or presentation is required to be made for the purpose of this Agreement, such determination, consolidation, computation or presentation shall, to the extent applicable and except as otherwise specified

herein or as otherwise agreed to in writing by the parties, be made in accordance with GAAP applied on a consistent basis. Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to GAAP applicable as at the date on which such determination, consolidation, computation or presentation is made or required to be made.

1.12 **Currency**

Unless otherwise provided, all amounts herein are stated in Canadian Dollars.

1.13 **Entire Agreement**

This Agreement contains the entire agreement between the parties relative to the subject matter hereof and supersedes all prior and contemporaneous agreements, term sheets, commitments, understandings, negotiations, and discussions, whether oral or written. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

1.14 **Schedules**

The following schedules annexed hereto are incorporated herein by reference and are deemed to be part hereof:

Schedule "A" -- Form of Concurrent Lease Notice

Schedule "B" -- Lessor's Addresses

Schedule "C" -- Form of Portfolio Report (or such other format as mutually agreed upon by the parties)

Article 2 - CONCURRENT LEASE

2.1 **Grant of Concurrent Lease**

- (a) Upon the terms and subject to the conditions set forth herein, the Lessor may from time to time prior to the occurrence of an Amortization Event, by delivering a completed Concurrent Lease Notice, offer to concurrently lease Approved Equipment to the Concurrent Lessee at least 5 Business Days before a proposed Closing Date. The Concurrent Lessee shall indicate its acceptance of the offer to concurrently lease Approved Equipment by countersigning the Concurrent Lease Notice delivered by the Lessor on or before the proposed Closing Date.
- (b) On each Closing Date, Lessor shall hereby lease to Concurrent Lessee, free and clear of all security interests, liens or other adverse claims other than the leasehold interests of the relevant Obligors, and Concurrent Lessee shall hereby lease from Lessor, the Approved Equipment as listed on the related Concurrent Lease Notice delivered by Lessor to Concurrent Lessee) with effect as of the Closing Date. It is hereby expressly acknowledged and agreed that the interest of the Concurrent Lessee under each Concurrent Lease and to the related Approved Equipment is that of a lessee only, and that title to and ownership in all such Approved Equipment shall, subject to Section 2.6, remain vested in the Lessor. It is hereby further expressly acknowledged and agreed that, as of each Closing Date and until the applicable Final Collection Date, the beneficial ownership of the interest of the Lessor in respect of each Lease relating to Leased Assets and the related Collections will automatically vest in the Concurrent Lessee and the Lessor will hold in trust for the benefit of the Concurrent Lessee the interest of the Lessor under each such Lease and related Collections. It is hereby further expressly acknowledged and agreed that, notwithstanding the grant by the Lessor to the

Concurrent Lessee of each Concurrent Lease, the rights of the lessee Obligors with respect to the possession and use of the Approved Equipment shall continue and be the same as under their respective Leases.

- (c) On each Closing Date, the Lessor will pay to the Concurrent Lessee the Credit Monitoring Fee for each Concurrent Lease listed in the applicable Concurrent Lease Notice. The Concurrent Lessee may set off the Credit Monitoring Fee payable for a Concurrent Lease against the Prepaid Rent for that Concurrent Lease paid by the Concurrent Lessee on the Closing Date.
- (d) In its capacity as lessor to the Concurrent Lessee and so that the Concurrent Lessee will not be in violation of its obligation as lessor to the Obligors or any of them, the Lessor hereby covenants and agrees to and in favour of the Concurrent Lessee that at all times during the term of each Concurrent Lease, the Lessor will, in all material respects, comply with and perform each term, condition, representation, warranty and covenant of the lessor contained in each Lease and will not take or omit to take any action in its capacity as owner of the Approved Equipment and lessor under any Concurrent Lease and which would cause any material failure by it to so comply with and perform each term, condition, representation, warranty and covenant required to be complied with or performed by the lessor under each Lease.
- (e) In its capacity as lessee under each Concurrent Lease, the Concurrent Lessee hereby covenants and agrees, to and in favour of the Lessor, to cause and require each Obligor to comply with and perform each term, condition, representation, warranty and covenant required to be complied with or performed by an Obligor under the relevant Lease.

2.2 Terms of Concurrent Leases

- (a) The term of each Concurrent Lease in respect of an item of Approved Equipment shall be deemed to commence at the close of business on the related Closing Date and, unless terminated or deemed terminated earlier in accordance with the provisions hereof, shall terminate on the Lease End Date for the related Lease.
- (b) Notwithstanding Section 2.2(a), the Concurrent Lessee shall have the right to extend the term of all Concurrent Leases outstanding on the date of this Agreement beyond the relevant Lease End Dates to the end of the Additional Term by giving the Lessor notice.

It is hereby expressly acknowledged and agreed that the Lessor's title and ownership of the Approved Equipment owned by it shall be subject to the rights of the Concurrent Lessee under each Concurrent Lease with respect to such Approved Equipment, and, consequently, except as otherwise provided herein, upon the termination of the Lease relating to any Approved Equipment (whether upon the expiry of the Term thereof, as a result of a default by the Obligor thereunder or otherwise), the Concurrent Lessee shall, until the expiry of the term of the Concurrent Lease relating to such Approved Equipment, have the exclusive right to possess, use and lease such Approved Equipment as provided for in this Article 2. Except as provided herein, neither the Concurrent Lessee nor the Lessor shall be entitled to terminate the Concurrent Lease in respect of any or all of the Approved Equipment.

2.3 Rent for Concurrent Lease

In consideration of the grant by the Lessor to the Concurrent Lessee of each Concurrent Lease, the Concurrent Lessee shall pay to the Lessor, on the first day of each calendar month after the Closing Date during the term of each Concurrent Lease, as monthly rent, an amount equal to 99.99% of the sum of all payments forming part of the Scheduled Payments to be made in

respect of the Leases of Leased Assets in respect thereof during the related Collection Period. Any Taxes will be added to any amount so paid if applicable.

2.4 Prepaid and Deferred Rent

The Lessor acknowledges and agrees that the Concurrent Lessee may satisfy and discharge its obligations to make all monthly rent payments required by Section 2.3 by (a) paying to the Lessor, on the related Closing Date, as a prepayment of rent, a sum equal to the Prepaid Rent, (b) paying to the Lessor the amounts specified pursuant to and in accordance with Section 3.1 as deferred rent (the Deferred Rent), each of which payments shall be made without the need on the part of the Lessor to provide the Concurrent Lessee with any invoices. The Concurrent Lessee shall be deemed to have elected to make the payments specified in (a) and (b) if it pays the Prepaid Rent on the related Closing Date. In the event the Concurrent Lessee elects to extend the terms of the Concurrent Leases outstanding on the date of this Agreement to the end of the Additional Term in accordance with Section 2.2(b), the Concurrent Lessee may pay to the Lessor, upon the exercise of its right to extend the terms, as a prepayment of rent, a sum equal to the Initial Additional Term Prepaid Rent. Concurrently with the payment of the Initial Additional Term Prepaid Rent for an ATPR Scheduled Lease, the Lessor will pay to the Concurrent Lessee the Credit Monitoring Fee for that ATPR Scheduled Lease. Any Taxes will be added to any of the foregoing amounts so paid if applicable.

2.5 Acknowledgment

The Lessor acknowledges and agrees that, as a consequence of the grant and demise of rights by it to the Concurrent Lessee under this Agreement, and in consideration of the obligation and the liability of the Concurrent Lessee to pay to the Lessor the rent (including any payment by the Concurrent Lessee of Prepaid Rent), as provided for in this Article 2, the Concurrent Lessee shall be entitled, among other things, to receive all Scheduled Payments under the Leases, the Leased Assets relating to which is concurrently leased to the Concurrent Lessee hereunder, as of and from the close of business on the related Closing Date.

2.6 Security Interest

As continuing security for the due and timely payment from time to time by the Lessor of all obligations of the Lessor, the Lessor hereby grants, pledges and charges, to and in favour of the Concurrent Lessee, a first charge and security interest in and to all of the Lessor's right, title and interest, both present and future, in, to and under the following:

- (a) all of the Lessor's right, title and interest in, to and under the Leased Assets and the Leases related thereto including, without limitation, all amounts owed to or received by the Lessor in respect of Collections from any Obligor or other Person, including all liquidation proceeds and subsequent recoveries in respect of the Leased Assets and the related Records;
- (b) all of the Lessor's right, title and interest in and to all Collections made on or after the related Closing Date and the right to make Collections in respect of the remaining Term thereof made on or after the Closing Date including, without limitation, rights, if any, under direct debit agreements with Obligors, and all cheques, notes, instruments of payment and other remittances relating thereto;
- (c) all of the Lessor's right, title and interest in and to the related Rights relating to the Leased Assets; and
- (d) all proceeds from any or all of the foregoing;

(all of such property and rights being collectively referred to herein as the Concurrent Lease Entitlements). The Lessor and the Concurrent Lessee agree that value has been given for the granting by the Lessor of such charge and security interest, that they have not agreed to postpone the time for attachment with respect thereto and that attachment will occur immediately upon the Lessor acquiring rights to receive any such Collections or other amounts.

2.7 Concurrent Lessee Rights

The Lessor hereby acknowledges that, as a consequence of the granting of the Concurrent Leases hereunder, the Concurrent Lessee through the Servicer on its behalf, shall have the right, at any time, to:

- (a) notify any Obligor of the Concurrent Lease by the Concurrent Lessee of the Leased Assets;
- (b) to the extent that the Lessor has such rights, contact any Obligor for any purpose, including for the performance of audits and verification analyses, and the determination of account balances and other data maintained by the Servicer;
- (c) direct any Obligor to make all payments on account of any Leases directly to the Concurrent Lessee at an address designated by the Concurrent Lessee or to such third party (including the Servicer) or bank or depositary as may be designated by the Concurrent Lessee;
- (d) request any Obligor to change the instructions for any direct debit or electronic funds transfer otherwise payable to the Lessor or the Servicer;
- (e) proceed directly against any Obligor and take any and all other actions, in the Lessor's name or otherwise, necessary or reasonably desirable to collect the Leases, enforce the related Rights or effect any related result; and
- (f) subject to the terms of the related Lease, sell by power of sale any Leased Assets for any price the Concurrent Lessee (or the Servicer on its behalf) deems reasonable in its sole discretion and apply the liquidation proceeds arising from any such sale towards any Rent Rebate arising therefrom.

2.8 Application Fee

The Lessor shall pay to the Concurrent Lessee following the completion of each Concurrent Lease an application fee in respect of such Concurrent Lease in the amount equal to 0.15% of the applicable Prepaid Rent of the applicable Lease Asset in respect of the concurrent lease by the Concurrent Lessee from the Lessor.

2.9 Payment of GST/HST

The Concurrent Lessee certifies that it is at all relevant times, including at the time of each Concurrent Lease, a registrant under Part IX of the Excise Tax Act (Canada) (the ETA) and that its registration number is 10414 3698 RT0001.

2.10 Disqualified Assets

Promptly at any time after a Closing Date upon discovering that an eligibility requirement contained in the definition of "Eligible Asset" was not satisfied with respect to any Leased Asset and Concurrent Lease on the Cut-Off Date where the Concurrent Lessee made a payment of Prepaid Rent, the Lessor shall pay to the Concurrent Lessee an amount equal to the Rent Rebate

in respect of the Concurrent Lease. Upon the payment of such amount, the related Concurrent Lease of such Leased Asset will be deemed to have been terminated without the need for any further action. Upon payment of such amount, any incorrectness in any representation or warranty or covenant by the Lessor with respect thereto shall be deemed to have been rectified.

2.11 Termination Rights

Either the Concurrent Lessee or the Lessor may terminate any Concurrent Lease at the end of each calendar year by notice in writing. Upon such termination, in the event Prepaid Rent was paid in respect of the Concurrent Lease, the Lessor shall be obligated to pay the Rent Rebate in respect thereof and shall have a period of up to 180 days to negotiate a repayment schedule with the Concurrent Lessee. Upon payment in full of the Rent Rebate, the related Concurrent Lease of such Leased Asset will be deemed to have been terminated without the need for any further action.

2.12 Intentionally Deleted

2.13 Liquidated Leases

The parties acknowledge that the Servicer is obligated and exclusively entitled, in accordance with this Agreement, to enforce a defaulted Lease by using its normal practices to take actual possession of and sell the Leased Assets forming the subject matter of such Lease and, if necessary, by enforcing the related Rights. The Servicer shall also be entitled to purchase such Leased Assets for a price deemed by the Servicer to be reasonable for such Leased Assets. Upon the Servicer's enforcement in respect of the Leased Assets which are subject to a Concurrent Lease, the Concurrent Lessee shall, subject to the following sentence, require the Lessor to terminate the related Concurrent Lease. The Concurrent Lease shall be terminated with respect to such Leased Assets, as of the date on which the Servicer completes the sale of the Leased Assets to a purchaser thereof. Upon such termination, the Lessor shall be obligated to pay to the Concurrent Lessee, on the date such sale is effected, as a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets by payment to the Collections Account, the liquidation proceeds from the related Leased Assets and any recoveries against the related Obligor received by the Servicer, and recourse against the Lessor shall be limited to the liquidation proceeds from the related Leased Assets and recoveries against the related Obligor received by the Servicer, and the Lessor irrevocably directs the Servicer to apply such amounts as Collections in accordance with Article 3.

2.14 Sale of Leased Assets

Each party hereto acknowledges that the Servicer may, in accordance with the terms of the related Lease, allow other Persons to purchase the Leased Assets that are subject to a Concurrent Lease hereunder prior to the expiry of a Concurrent Lease. If Leased Assets that are subject to a Concurrent Lease hereunder are sold at any time, then the Concurrent Lease shall be terminated with respect to such Leased Assets as of the date on which the Servicer completes the sale of the Leased Assets to a purchaser thereof. Upon any such termination where the purchaser is the Obligor, the Lessor shall be obligated to pay to the Concurrent Lessee a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets, by payment into the Collections Account of the proceeds of the sale of the Leased Assets on the date such sale is effected. Upon any such termination where the purchaser is not the Obligor, the Lessor shall be obligated to pay to the Concurrent Lessee a refund of a portion of the Prepaid Rent and, if applicable, the Initial Additional Term Prepaid Rent paid by the Concurrent Lessee in respect of such Leased Assets, by payment to the Concurrent Lessee of an amount equal to the Rent Rebate relating to such Concurrent Lease on the date such sale is effected. The Servicer will not agree to any purchase of Leased Assets that would result in the termination of a Concurrent Lease, including without

limitation as part of a transaction that involves an Obligor agreeing to lease new Approved Equipment under a new lease, without first obtaining the consent of the Concurrent Lessee.

Article 3 - APPLICATION OF COLLECTIONS

3.1 Settlement Procedures

Collections of the Leases subject to Concurrent Leases shall be administered by the Servicer in accordance with the terms of this Agreement. The Lessor shall provide to the Servicer (if other than the Lessor) on a timely basis all information needed for such administration, including notice of the occurrence of any Amortization Event. The Servicer will allocate Collections received from each Obligor in accordance with the Credit and Collection Policies. On each Settlement Date, Collections for the related Collection Period with respect to each Lease subject to a Concurrent Lease, will be applied as follows:

- (a) first, during an Amortization Period only, to the Servicer, the Servicing Fee or following a Servicer Termination Event, to the Replacement Servicer, if any, the Replacement Servicer Fee, in each case to the extent allocable to such Lease;
- (b) second, to be retained by the Concurrent Lessee, the Concurrent Lessee's Proportionate Share of any Collections in respect of the Lease; and
- (c) third, to the Lessor, the remainder as Deferred Rent.

Article 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Lessor

The Lessor represents and warrants to the Concurrent Lessee as of the date hereof and as of each Closing Date (except as otherwise specified below) that:

- (a) it is (i) a trust validly existing under the laws of the Province of Ontario; and (ii) duly qualified to carry on business in each jurisdiction in which the failure to be so qualified would reasonably be expected to have a Material Adverse Effect;
- (b) it has full power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated of it hereunder and thereunder;
- (c) it has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to do all acts and things as are required or contemplated of it hereunder and thereunder;
- (d) there are no actions, suits or proceedings pending or to the knowledge of any officer of the Lessor, threatened against or affecting the Lessor or any of its undertakings and assets at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to the Lessor which would reasonably be expected to have a Material Adverse Effect and the Lessor is not in default in respect of any applicable law, rule, regulation, order, judgment, injunction, award or decree as a result of which a Material Adverse Effect would reasonably be expected to occur;
- (e) this Agreement has been duly executed and delivered by the Lessor and constitutes a legally binding obligation of the Lessor enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other

- laws affecting creditors' rights generally and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) the execution and delivery of this Agreement and compliance with its terms and conditions will not (i) result in a violation of the constating documents or by-laws of the Lessor; (ii) result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree; (iii) result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which the Lessor is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect; or (iv) require any approval or consent of, or any notice to or filing with, any Governmental Authority or agency having jurisdiction except such as has already been given, filed or obtained, as the case may be;
 - (g) no default has occurred and is outstanding under any loan agreement, indenture, trust deed or any other agreement or instrument to which the Lessor is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect;
 - (h) its principal place of business, chief executive office and registered office are located at the address set forth under its name on the signature pages hereto and the offices where it keeps all Records held by it are located at the addresses set out in Schedule "B" hereto or such other addresses as the Lessor shall from time to time notify the Concurrent Lessee;
 - (i) it is not a non-resident of Canada within the meaning of the ITA;
 - (j) the Lessor has delivered to the Concurrent Lessee all financial information received by the Lessor in respect of each Eligible Asset;
 - (k) all federal, provincial and local and foreign national, state, provincial, regional and local and all other tax returns of the Lessor required by applicable law to be filed have been duly filed, and all federal, provincial and local and foreign national, state, provincial, regional and local and all other taxes, assessments and other governmental charges or levies upon the Lessor and its property, income, profits and assets which are due and payable have been paid. The charges, accruals and reserves on the books of the Lessor in respect of federal, provincial and local taxes and foreign national, state, provincial, regional and local taxes for all fiscal years and portions thereof since the organization of the Lessor, are in the judgment of the Lessor adequate in all material respect;
 - (l) all written information, reports, certificates, financial statements and other papers and data produced by or on behalf of the Lessor and furnished to the Concurrent Lessee, including those in respect of Eligible Assets, were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the recipient a true and accurate knowledge of the subject matter, and, no fact is known to the Lessor which has had, or could reasonably be expected to in the future have, a Material Adverse Effect;
 - (m) the Lessor is not an "Insolvent Person" as defined in the *Bankruptcy and Insolvency Act* (Canada), and shall not have unreasonably small capital to carry out its businesses as conducted or as proposed to be conducted;
 - (n) each Lease Asset in respect of which the related Equipment is offered to be concurrently leased to the Concurrent Lessee hereunder is an Eligible Asset as of the Cut-Off Date; and
 - (o) no Amortization Event or Servicer Termination Event has occurred that is continuing.

4.2 Representations and Warranties of the Concurrent Lessee

The Concurrent Lessee represents and warrants to the Lessor as of the date hereof that:

- (a) the Concurrent Lessee is (i) a trust company duly organized and validly existing under the *Trust and Loan Companies Act (Canada)*; and (ii) duly qualified to carry on business in each jurisdiction in which the failure to do so would reasonably be expected to have a Material Adverse Effect;
- (b) the Concurrent Lessee has full power and capacity to enter into this Agreement and to do all acts and things as are required or contemplated of it hereunder;
- (c) the Concurrent Lessee has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to do all acts and things as are required or contemplated of it hereunder;
- (d) there are no actions, suits or proceedings pending or to the knowledge of any officer of the Concurrent Lessee, threatened against or affecting the Concurrent Lessee or any of its undertakings and assets at law, in equity or before any arbitrator or before or by any governmental department, body, commission, board, bureau, agency or instrumentality having jurisdiction in the premises in respect of which there is a reasonable possibility of a determination adverse to the Concurrent Lessee which would reasonably be expected to have a Material Adverse Effect and the Concurrent Lessee is not in default in respect of any applicable law, rule, regulation, order, judgment, injunction, award or decree as a result of which a Material Adverse Effect would reasonably be expected to occur;
- (e) this Agreement has been duly executed and delivered by it and constitutes a legally binding obligation of the Concurrent Lessee enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) the execution and delivery of this Agreement and compliance with its terms and conditions will not (i) result in a violation of its constituting documents; (ii) result in a violation of any applicable law, rule, regulation, order, judgment, injunction, award or decree; (iii) result in a breach of, or constitute a default under, any loan agreement, indenture, trust deed or any other agreement or instrument to which the Concurrent Lessee is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect; or (iv) require any approval or consent of, or any notice to or filing with, any Governmental Authority or agency having jurisdiction except such as has already been given, filed or obtained, as the case may be; and
- (g) no default has occurred and is outstanding under any loan agreement, indenture, trust deed or any other agreement or instrument to which the Concurrent Lessee is a party or by which it is bound which would reasonably be expected to have a Material Adverse Effect.

4.3 Survival

Representations, warranties and statements of the Lessor and the Concurrent Lessee (or any of them or of any of their respective officers) set forth herein have been relied upon by the Concurrent Lessee, shall not merge on the completion of the execution and delivery of this Agreement or on the completion of any Concurrent Lease and shall survive thereafter.

Article 5 - COVENANTS

5.1 Delivery of Files and Records

The Servicer will hold the Records relating to the applicable Leased Assets on behalf of the Concurrent Lessee, and will provide a copy of such Records to the Concurrent Lessee upon request.

5.2 Further Assurances

- (a) Each of the Lessor and the Concurrent Lessee will from time to time make, do, execute, endorse, acknowledge and deliver or cause and procure to be made, done, executed, endorsed, acknowledged, filed, registered and delivered any and all further acts and assurances, including without limitation, any conveyance, deed, transfer, assignment or other instrument in writing as, in the opinion of either of such Persons, may be necessary or desirable to give effect to this Agreement and the transactions provided for in this Agreement and will take all such other action as may be required or desirable for more effectually and completely vesting all Rights acquired by the Concurrent Lessee.
- (b) Each of the Lessor and Concurrent Lessee from the period commencing on the Closing Date until the termination of this Agreement, shall maintain in force insurance coverage in areas and amounts customary for its industry.

5.3 General Covenants of the Lessor

The Lessor covenants with the Concurrent Lessee:

- (a) to preserve and maintain its existence, rights, franchises and privileges and to qualify and remain qualified to carry on business in each jurisdiction in which the failure to do so would reasonably be expected to have a Material Adverse Effect;
- (b) to not, except as expressly permitted herein (i) sell, assign (by operation of law or otherwise) or dispose of any part of the Leased Assets; (ii) take any action which may cause the validity, effectiveness or enforceability of the Leased Assets or the related Rights to be impaired; or (iii) take or omit to take any action which may cause an Adverse Claim to attach or extend to or otherwise burden any part of the Leased Assets;
- (c) to comply with all laws (including, without limitation, privacy laws) rules, regulations, orders, judgments, injunctions, awards or decrees applicable to the Lessor or the Leased Assets except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (d) to promptly notify the Concurrent Lessee at least twenty (20) Business Days prior to changing its name from that which is stated in its constating documents;
- (e) to promptly notify the Concurrent Lessee at least twenty (20) Business Days prior to changing the jurisdiction in which its principal place of business, chief executive office or registered office is located;
- (f) to promptly notify the Concurrent Lessee of any amendment, limitation or restriction of any license issued to the Lessor by a regulatory authority relating to the carrying on by the Lessor of its business if such amendment, limitation or restriction would have a Material Adverse Effect;

- (g) to notify the Concurrent Lessee forthwith of the occurrence of any Amortization Event or Servicer Termination Event or of any event which, with the giving of notice of the passage of time, or both, could become an Amortization Event or Servicer Termination Event;
- (h) to not amend or waive the Credit and Collection Policies without the prior written consent of the Concurrent Lessee;
- (i) to not establish or maintain a defined benefit pension plan;
- (j) to make notations in its books, records, documents and instruments relating to the Leased Assets to evidence the interest of the Concurrent Lessee therein; and
- (k) to timely and fully perform and comply with all material terms, covenants and other provisions of the contracts relating to the Leased Assets, including without limitation the Leased Assets, required to be performed by and observed by the Lessor thereunder.

5.4 Amendments to Definition of Eligible Asset

If, at any time, the Concurrent Lessee determines, acting reasonably, that there has been a material change in the information contained in a Portfolio Report from the information contained in any previous Portfolio Report, then the Concurrent Lessee may elect by notice to the Lessor to amend the definition of Eligible Asset so that it contains one or more of the following additional requirements:

- (a) in respect of which there is a parts and labor warranty on the related Leased as issued by a third party insurer that is approved in writing by the Concurrent Lessee (acting reasonably) or the Lessor has otherwise made arrangements with a third party (other than the Obligor or the Lessor) to ensure that any repair and servicing of the related Approved Equipment is conducted and completed as required from time to time; and
- (b) if the Lease is a Low Value Lease, the Outstanding Balance of such Lease, together with the Outstanding Balance of all Leases relating to Leased Assets that are Low Value Leases, does not exceed 35% of the Outstanding Balance of all Leased Assets at such time;

and the definition of Eligible Asset will be deemed to have been amended from the time of delivery of notice of any such election by the Concurrent Lessee to the Lessor.

Article 6 - SERVICING OF PORTFOLIO

6.1 Appointment of the Lessor as Servicer

- (a) The Concurrent Lessee hereby appoints the Servicer to be its exclusive agent for the purposes of servicing the Leased Assets as set out in this Article 6 (it being acknowledged that the Concurrent Lease made hereunder is made on a fully-serviced basis in accordance with this Agreement) and the Lessor hereby accepts such appointment.
- (b) The Lessor may subcontract with a subservicer or sub-originator, provided that such subservicer or sub-originator shall be approved by the Concurrent Lessee acting reasonably, for the servicing or subservicing of the Leased Assets; provided, however, that the Lessor will remain liable to the Concurrent Lessee for the performance of the duties and obligations so subcontracted and all other duties and obligations of the Lessor set forth in this Article 6.

- (c) Except as provided hereunder, the Servicer shall have the exclusive right to service the Leased Assets and the Concurrent Lessee shall not contact any Obligor or inform any Obligor of its interests in the Leased Assets or otherwise take any steps to modify any Leased Assets.

6.2 Servicing of Leased Assets

During the term of this Agreement, unless a Replacement Servicer is designated by the Concurrent Lessee pursuant to Section 7.2, the Lessor covenants to service the Leased Assets with reasonable care using that degree of skill and attention that it exercises with respect to comparable receivables that it services for itself and others and in accordance with the Credit and Collection Policies, and subject to and in accordance with the provisions of this Agreement. Without limiting the generality of the foregoing, the Lessor, unless a Replacement Servicer is designated by the Concurrent Lessee pursuant to Section 7.2, shall and covenants to:

- (a) deposit Collections to the Collections Account (which will, until remitted, be held in trust for the Concurrent Lessee) in respect of such Settlement Period in accordance with Section 6.3;
- (b) hold the Records in trust for the Concurrent Lessee and at any time and from time to time during regular business hours permit the Concurrent Lessee, its agents or representatives upon five (5) Business Days' prior notice to (i) examine and make copies of all such Records in the possession (or under the control) of the Lessor; and (ii) visit the offices and properties of the Lessor for the purpose of examining such Records and discussing matters relating to the Leased Assets and the Lessor's performance under the Leased Assets or hereunder with any of the Lessor's officers or employees having knowledge of such matters;
- (c) maintain and implement prudent and reasonable administrative and operating procedures (including an ability to recreate the Records in the event of the destruction of the originals thereof) and keep and maintain all books, records, documents and other information reasonably necessary or advisable for the identification and collection of the Leased Assets (including records adequate to permit all collections of and reductions or adjustments);
- (d) timely and fully perform and comply with all terms, covenants and other provisions of the Leased Assets required to be performed and observed by it or the Concurrent Lessee;
- (e) comply in all respects with the Credit and Collection Policies in regard to each Leased Asset;
- (f) not, without the prior written consent of the Concurrent Lessee, make any change in the Credit and Collection Policies;
- (g) not extend, amend or otherwise modify or waive any term or condition of any Leased Asset unless permitted in accordance with the terms of the Credit and Collection Policies;
- (h) use its commercially reasonable efforts to collect all Receivables payable in respect of the Leased Assets in accordance with all applicable laws, rules and regulations, the provisions hereof and the Credit and Collection Policies;
- (i) make all payments payable by it to government agencies and others where a statutory lien or deemed trust might arise having priority over the Concurrent Lessee's interest in any part of the Leased Assets; provided that the Lessor may protest the payment of any such amounts if it is acting in good faith and it either provides the Concurrent Lessee with

cash in an amount sufficient to satisfy the same or otherwise satisfies the Concurrent Lessee, acting reasonably, that its interests are not prejudiced thereby;

- (j) as soon as possible, effect all filings or recordings with respect to the Concurrent Lessee's interest in all Rights necessary by law or reasonably prudent or desirable for the perfection and protection of such interest and all appropriate renewals or amendments thereof;
- (k) promptly, from time to time, furnish to the Concurrent Lessee such documents, records, information or reports in respect of the Leased Assets or the conditions or operations, financial or otherwise, of the Lessor as may be in existence in written form or, if available in databases maintained by the Lessor, as may be produced with existing software as the Concurrent Lessee may from time to time reasonably request;
- (l) If the Delinquency Rate calculated in respect of Low Value Leases that are Leased Assets exceeds, for any Reporting Period and the two (2) immediately preceding Reporting Periods, 10% (the amount of any excess being the **Excess LV Delinquencies**), the Lessor shall pay to the Concurrent Lessee, for each Reporting Period (that is, each calendar month) during which such excess exists, an amount equal to \$2,500 (the **Excess LV Delinquencies Reimbursement**), which shall represent a reimbursement for the Concurrent Lessee for the costs incurred by the Concurrent Lessee with respect to the monitoring, analyzing and reporting on the Excess LV Delinquencies. The Lessor and the Concurrent Lessee hereby agree that any such Excess LV Delinquencies Reimbursement is not and shall not be deemed to be a penalty or a fee in any way, but a true representation of the costs that the Concurrent Lessee shall incur in respect of the monitoring, analyzing and reporting on the Excess LV Delinquencies.

For greater certainty, an Excess LV Delinquencies Reimbursement may be payable by the Lessor to the Concurrent Lessee for the same Reporting Period.

- (m) on or before each Reporting Date, prepare and deliver to the Concurrent Lessee a Portfolio Report relating to the Receivables payable in respect of the Leased Assets as of the close of business on the last day of the immediately preceding Collection Period; and
- (n) to monitor the level of complaints arising from the Leased Assets received by it and take commercially reasonable steps to address such complaints. If, at any given time, the level of unresolved complaints exceeds 1% (being the percentage of active Obligors with unresolved complaints to total active Obligors) or if the level of total complaints (whether resolved or not) exceeds 5% (as the percentage of active Obligors who have made a complaint to total active Obligors), such excess shall be reported to the next meeting of the board of directors of Crown Crest Capital Management Corp. for a discussion on required management actions in respect of the interests of the Obligors.

6.3 Deposit of Collections

All Collections shall be deposited by the Servicer in the Collections Account within two (2) Business Days of the date of receipt by the Servicer (or, in the case of Deemed Collections, on the date of deemed receipt).

6.4 Power of Attorney

The Concurrent Lessee hereby constitutes and appoints the Servicer the true and lawful attorney of the Concurrent Lessee, with full power of substitution, to execute, deliver and register, for and on behalf of and in the name of the Concurrent Lessee, such documents, instruments or

agreements which may be necessary or desirable to enable the Servicer to perform its obligations set out in this Agreement. The Servicer agrees that it will not exercise such power of attorney for any other purpose whatsoever. Such power of attorney is coupled with an interest.

6.5 Deemed Collections

If, on any day prior to the date on which both the Concurrent Lessee's Investment and the Additional Term Investment are reduced to nil, any Receivable payable in respect of any Leased Asset (i) is extended by the Lessor beyond its original term in a manner inconsistent with the Credit and Collection Policies, (ii) has its Scheduled Payment or any other regularly scheduled payment to be made by the Obligor during the Additional Term reduced by the Lessor in a manner inconsistent with the Credit and Collection Policies, (iii) is reduced or cancelled as a result of any breach by the Lessor of the terms of such Leased Asset, (iv) is reduced or cancelled as a result of a set-off in respect of any claim by the applicable Obligor against the Lessor or the Concurrent Lessee other than as a result of an act or omission of the Concurrent Lessee (whether such claim arises out of the same or a related transaction or an unrelated transaction), (v) is reduced to reflect any adjustment for returns, billing errors, NSF cheques, fraudulent charges and similar payment reconciliations, (vi) is otherwise reduced or cancelled by the Lessor or any subservicer, or (vii) if any fine, penalty, sanction, order or other liability is imposed upon or determined against any of the Lessor, the Concurrent Lessee or any Originator in connection with or relating to any Leased Asset, the Lessor shall be deemed to have received for the Concurrent Lessee's account on the last day of the Collection Period during which such day occurred, a Collection of such Receivable in the amount of such reduction or cancellation, and shall deposit to the Collections Account on the immediately following Settlement Date such amount.

6.6 Payment Terms

- (a) All amounts to be paid or deposited by the Lessor, the Replacement Servicer or the Concurrent Lessee hereunder will be paid or deposited on the day when due in same day funds.
- (b) The Lessor will make all payments required to be made hereunder without deduction or set-off (except as expressly permitted hereunder) regardless of any defense or counterclaim.

Article 7 - SERVICER TERMINATION

7.1 Servicer Termination Events

The happening of any of the following shall constitute a Servicer Termination Event hereunder:

- (a) The Lessor defaults in the payment of any amount due to the Concurrent Lessee hereunder and such default remains unremedied for a period of three (3) Business Days after written notice of such default has been given to the Lessor;
- (b) The Lessor defaults in the observance or performance in any manner of any of its covenants or obligations contained in this Agreement in any material respect (other than those obligations referred to in paragraph (a) above) and, if such default is capable of rectification and remains unremedied for a period of thirty (30) days after the earlier of (i) the date on which written notice of such default has been given to the Lessor by the Concurrent Lessee and (ii) the date on which the Lessor has actual notice of such default;

- (c) any representation or warranty made by the Lessor in or pursuant to this Agreement proves to have been false or incorrect when made in any material respect, and, if the circumstances giving rise to such incorrect representation or warranty are capable of rectification, such representation or warranty remains uncorrected for a period of 30 days after the earlier of (i) the date on which written notice has been given to the Lessor by the Concurrent Lessee specifying the incorrectness and demanding that the circumstances giving rise thereto be rectified and (ii) the date on which the Lessor had actual knowledge of such incorrectness; or
- (d) an Insolvency Event shall occur in respect of the Lessor.

7.2 Designation of Replacement Servicer

- (a) If a Servicer Termination Event has occurred and is continuing, the Concurrent Lessee may designate a Replacement Servicer to succeed the Lessor with respect to the Leased Assets on such terms as it may consider reasonable, provided that any such Person so designated shall agree to perform the duties and obligations of the Lessor provided for in Article 6.
- (b) Upon the appointment of a Replacement Servicer pursuant to Section 7.2(a), the Lessor will, on demand and at its expense: (i) assemble all Records and make them available to the Replacement Servicer; (ii) notify all Obligors (x) of the sale, assignment and transfer to the Concurrent Lessee of the Leased Assets; and (y) to remit all payments due under such Leased Assets to the Replacement Servicer; and (iii) segregate, in a manner reasonably acceptable to the Concurrent Lessee, all cash, cheques and other instruments constituting Collections which are received by it from time to time and remit the same to the Replacement Servicer duly endorsed or with duly executed instruments of transfer, if applicable.

7.3 Replacement Servicer Fee

A Replacement Servicer appointed pursuant to Section 7.2 shall be entitled to a reasonable fee for services rendered, such fee to be determined by the Concurrent Lessee with the Replacement Servicer to a maximum, in respect of any Collection Period, of 15% of the Collections remitted to the Collections Account during such Collection Period (the **Replacement Servicer Fee**). Such Replacement Servicer Fee and any out-of-pocket expenses incurred by the Replacement Servicer in connection with its duties as Replacement Servicer, together with any applicable Sales Taxes, shall be payable to the Replacement Servicer in accordance with this Agreement.

7.4 Leased Assets

If a Servicer Termination Event has occurred and is continuing, the legal right, title and interest to any Leased Assets related to any Leased Asset which are held by the Lessor in trust for the Concurrent Lessee shall automatically transfer to the Concurrent Lessee upon notice from the Concurrent Lessee to the Lessor.

7.5 Power of Attorney

- (a) The Lessor hereby grants to the Concurrent Lessee, to become effective immediately upon the occurrence of a Servicer Termination Event, an irrevocable power of attorney and hereby irrevocably appoints the Concurrent Lessee as the Lessor's attorney-in-fact, with full power of substitution, to take in the place and stead of and in the name of the Lessor or in the Concurrent Lessee's own name from time to time at the Concurrent Lessee's discretion, acting reasonably, such actions as the Lessor may be obligated to take hereunder or as the Concurrent Lessee may deem necessary or advisable to collect,

endorse, negotiate or otherwise realize on any Leased Asset including any related Receivable, any negotiable instrument, or any other right of any kind, held or owned by the Lessor and transferred, assigned or delivered to or received by the Concurrent Lessee as payment on account or otherwise in respect of any of the Leased Assets, including:

- (i) to evidence or protect the Concurrent Lessee's interest in the Leased Assets and to execute and file, in the Lessor's name and on the Lessor's behalf, such recording, registration, financing or similar statements (including any amendments, renewals and continuation statements) under applicable laws;
 - (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittances and receipts for moneys due and to become due in connection with the Receivables or otherwise owed to the Concurrent Lessee;
 - (iii) to receive, endorse and collect any cheques, drafts or other instruments, documents and chattel paper in connection with moneys due and to become due in connection with the Receivables forming part of the Leased Assets or otherwise owed to the Concurrent Lessee;
 - (iv) to file any claims or take any action or institute any proceedings that the Concurrent Lessee may deem to be necessary or desirable for the collection of any Receivable; and
 - (v) to prepare, execute, deliver, and/or register in the Lessor's name and on the Lessor's behalf, such instruments and documents (including assignments) necessary or desirable in furtherance of the foregoing.
- (b) The power of attorney granted hereby shall be expressly coupled with an interest in favour of the Concurrent Lessee. The powers of attorney and other rights and privileges granted hereby shall survive any dissolution, liquidation or winding-up of the Lessor.

Article 8 - CONDITIONS PRECEDENT

8.1 Conditions to Effectiveness

This Agreement shall become effective on the date hereof if the following conditions precedent have been satisfied or waived on or prior to such date and/or the Concurrent Lessee shall have received from the Lessor the following documents, in form and substance satisfactory to the Concurrent Lessee:

- (a) a certificate of an officer of the Lessor, dated the date hereof certifying (A) that attached thereto is a true and complete copy of the Certificate and Articles of Incorporation and any amendments thereto, and the by-laws of the Lessor, each as in effect on the date of such certificate; (B) that attached thereto is a true and complete copy of a resolution adopted by the Lessor's board of directors authorizing the execution, delivery and performance of this Agreement and the other Related Documents, and that such resolution has not been modified, rescinded or amended and is in full force and effect; and (C) as to the incumbency and true specimen signature of each of the Lessor's officers executing this Agreement or any of the Related Documents, on which certificate the Concurrent Lessee shall be entitled to conclusively rely until such time as the Concurrent Lessee receives from Lessor a replacement certificate meeting the requirements of this Section 8.1(a);

- (b) a certificate of compliance issued in respect of the Lessor in its jurisdiction of incorporation, and an equivalent certificate from the appropriate authority in each other jurisdiction in which qualification is necessary in order for the Lessor to own or lease its property and conduct its business, each to be certified as of a recent date;
- (c) executed copies of this Agreement and copies of the Credit and Collection Policies;
- (d) reports, satisfactory to the Concurrent Lessee acting reasonably, showing the results of searches conducted against the Lessor under applicable personal property security registers in the provinces where the Leased Assets are located, together with executed copies of all discharges or releases of prior security interests relating to Leased Assets that are then to be sold hereunder; provided that the Lessor may establish that any particular registration does not affect any such Leased Assets by delivering a letter or acknowledgment signed by the applicable secured party;
- (e) a copy of verifications statements or other filings filed in each relevant jurisdiction, that are sufficient to perfect the interests of the Concurrent Lessee as the first priority ownership interest in the Leased Assets as against creditors of the Lessor;
- (f) executed copies of all discharges and releases, if any, necessary to discharge or release all security interest and other rights or interest of any Person in the Rights, previously granted by or through the Lessor and which could constitute an Adverse Claim, together with, where applicable, copies of the relevant financing change statements or other discharge statements with the registration particulars stamped thereon; and/or appropriate intercreditor agreements with such other parties in form and substance as the Concurrent Lessee may require; and
- (g) such other approvals, opinions or documents as the Concurrent Lessee may reasonably request.

Article 9 - MISCELLANEOUS

9.1 Amendments and Waivers

- (a) This Agreement may be amended, supplemented, modified, restated or replaced by written instrument only signed by the Lessor and the Concurrent Lessee.
- (b) No waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

9.2 Binding Effect; Assignability

This Agreement shall be binding upon and enure to the benefit of the Lessor and the Concurrent Lessee, and their respective successors and assigns.

The Lessor shall not have the right to assign any interest herein without the consent of the Concurrent Lessee, provided however that the Lessor may grant a security interest in all or a portion of the Deferred Rent.

Each of the other parties hereto agrees that, upon such assignment, the assignee or its further assigns may enforce directly, without joinder of the original Concurrent Lessee, the rights set forth

in this Agreement. Each of the Lessor and the Concurrent Lessee agrees to grant to any such assignee or its further assigns or its agents such powers of attorney as may be necessary for the exercise of their rights hereunder.

9.3 Notices

Any notice, consent, request, agreement, approval, waiver or other communication required or permitted to be given or delivered hereunder shall, unless otherwise stated herein, be in writing (including photocopy, facsimile, electronic mail or other digital communication) and sent, as to each party hereto, at its address set forth under its name on the signature pages hereto, or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective when sent.

9.4 Indemnification

- (a) The Lessor hereby agrees to indemnify the Concurrent Lessee and each of its directors, officers, employees, trustees, advisors and agents, and to save such Person harmless from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable legal fees and disbursements) awarded against or incurred by any such Person arising out of or as a result of:
- (i) any representation or warranty made or deemed to be made by the Lessor in any capacity (whether as Lessor, Servicer or otherwise) (or any of its officers) in or in connection with this Agreement, any of the Leased Assets, or any Related Document, which was incorrect in any material respect when made or deemed made or delivered;
 - (ii) the failure of the Lessor in any capacity (whether as Lessor, Servicer or otherwise) or any Originator to perform or observe any of its respective covenants, duties or obligations hereunder, in respect of or relating to any of the Leased Assets or under any of the Related Documents;
 - (iii) any claim made against the Lessor in any capacity (whether as Lessor, Servicer or otherwise), the Lender or any Originator by any Obligor arising from, in connection with or relating to the performance of observance of any of the Lessor's or Originator's respective covenants, duties or obligations hereunder, in respect of or relating to any of the Leased Assets or under any of the Related Documents;
 - (iv) the failure to vest in and maintain vested in the Concurrent Lessee, the beneficial interest of the Lessor in and to the Leases relating to the Leased Assets and related Collections which are, or are intended to be transferred to the Concurrent Lessee hereunder, free and clear of any Adverse Claim (whether existing at the time of the Concurrent Lease thereof or arising at any time thereafter);
 - (v) the failure by the Lessor in any capacity (whether as Lessor, Servicer or otherwise) to comply with any applicable law, rule, regulation, order, judgment, injunction, award or decree with respect to any part of the Leased Assets, or the non-conformity of any Leased Asset with any applicable law, rule, regulation, order, injunction, award or decree; and
 - (vi) any fine, penalty, sanction, order, or other liability imposed upon or determined against any of the Lessor in any capacity (whether as Lessor, Servicer or otherwise) the Lender or any Originator by any Governmental Authority in connection with or relating to any Leased Asset;

- (b) The Lessor shall not be liable to the Concurrent Lessee hereunder for any damages, losses, claims, liabilities, costs or expenses resulting solely from the failure of any Obligor to discharge its payment obligations (except as specifically provided in Section 9.4(a)).
- (c) The Lessor and the Concurrent Lessee each agree to provide reasonable assistance to the other party, at the request of such other party and, in either case, at the Lessor's expense, in any action, suit or proceeding brought by or against, or any investigation involving such requesting party relating to any of the transactions contemplated hereby or to any part of the Leased Assets. If the Lessor has acknowledged its liability under Section 9.4(a) in respect of any damages, losses, claims, liabilities, costs or expenses in connection with any such action, suit, proceeding or investigation, and, in the sole determination of the Concurrent Lessee, acting reasonably, the Lessor has the financial ability to pay such damages, losses, claims, liabilities, costs and expenses, the Lessor will have the right, on behalf of the Concurrent Lessee but at the Lessor's expense, to defend such action, suit or proceeding, or participate in such investigation, with counsel selected by it, and will have sole discretion as to whether to litigate, appeal or settle.
- (d) The obligations of the Lessor under this Section 9.4 will survive this Agreement and remain in full force and effect for a period up to and including the date that is six years from the Final Collection Date.

9.5 Time of Essence

Time will be of the essence of this Agreement.

9.6 Failure to Perform

If the Lessor fails to perform any of its agreements or obligations hereunder, the Concurrent Lessee may (but will not be required to) itself perform, or cause to be performed, such agreement or obligation at, in the case of any such failure to perform by the Lessor, the cost of the Lessor.

9.7 Confidentiality

Each party hereto will maintain on a confidential basis (except as otherwise permitted hereunder or as required by applicable law) all information relating to the other party provided to it hereunder by the other parties; provided, however, that this Section shall not apply to any information which (i) was lawfully in the public domain at the time of communication to the first party, (ii) lawfully enters the public domain through no fault of the first party subsequent to the time of communication to the first party, (iii) was lawfully in possession of the first party free of any obligation of confidence at the time of communication to the first party, (iv) was lawfully communicated to the first party free of any obligation of confidence subsequent to the time of initial communication to the first party or (v) was lawfully communicated to any Person free from any obligation of confidence subsequent to the time of communication to the first party.

9.8 Further Assurances

The parties hereto agree, from time to time, to enter into such further agreements and to execute all such further instruments as may be reasonably necessary or desirable to give full effect to the terms of this Agreement and to the ability of the Concurrent Lessee to exercise or enforce any of its rights and remedies hereunder.

9.9 Remedies

The remedies herein provided are cumulative and not exclusive of any remedies provided at law.

9.10 Execution in Counterparts

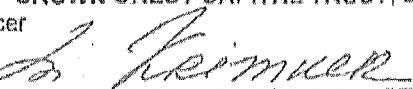
This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[The signature pages follow.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CROWN CREST FUNDING CORP., in its capacity as
trustee of CROWN CREST CAPITAL TRUST, as Lessor
and Servicer

By:



Name: LYUDMILA KRIMKER

Title: PRESIDENT

Address: 1201-200 Yorkland Street
Toronto, ON M2J 5C1

Attention: President and CEO

Fax No.: 647-846-7475

PEOPLES TRUST COMPANY, as Concurrent Lessee

By:

Name:

Title:

Address: 1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention:

With a copy to General Counsel and
Executive VP & Chief Financial Officer

Fax No.: 604-331-3469

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CROWN CREST FUNDING CORP., in its capacity as trustee of CROWN CREST CAPITAL TRUST, as Lessor and Servicer

By: _____

Name:

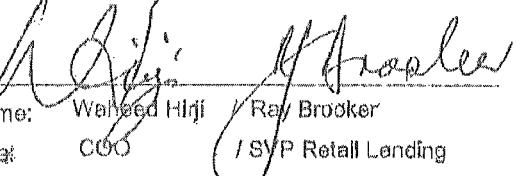
Title:

Address: 1203-200 Yorkland Street
Toronto, ON M2J 5C1

Attention: President and CEO

Fax No.: 647-846-7475

PEOPLES TRUST COMPANY, as Concurrent Lessee

By: 

Name: Waheed Hirji Ray Brooker

Title: COO / SVP Retail Lending

Address: 1400-888 Dunsmuir Street
Vancouver, BC V6C 3K4

Attention:

With a copy to General Counsel and
Executive VP & Chief Financial Officer

Fax No.: 604-331-3469

SCHEDULE "A"
FORM OF CONCURRENT LEASE NOTICE

To: Peoples Trust Company ("Concurrent Lessee")

Re: Concurrent Lease Agreement dated as of May 29, 2019 among Concurrent Lessee and the undersigned (the "Concurrent Lease Agreement")

The undersigned hereby gives notice of a concurrent lease pursuant to Section 2.1 of the Concurrent Lease Agreement as follows:

Closing Date:

Cut-Off Date:

Leased Assets: Attached Schedule A

The undersigned hereby represents and warrants that the Lease Assets described in the attached Schedule A are Eligible Assets as of the related Cut-off Date. The undersigned further confirms that all representations and warranties of the Lessor contained in the Concurrent Lease Agreement are true and correct, no Servicer Termination Event has occurred that is continuing, and the Lessor is in compliance with all covenants under the Concurrent Lease Agreement.

Capitalized terms used and not defined in this Concurrent Lease Notice have the meanings set forth in the Concurrent Lease Agreement.

CROWN CREST FUNDING CORP., in its capacity as trustee of CROWN CREST CAPITAL TRUST, as Lessor and Servicer, by its authorized agent, CROWN CREST CAPITAL MANAGEMENT CORP.

By: _____

Name:

Title:

Accepted:

PEOPLES TRUST COMPANY, as Concurrent Lessee

By: _____

Name:

Title:

Schedule A .o Concurrent Lease Notice – Attach list of Lease Assets

SCHEDULE "B"

LESSOR'S ADDRESSES

Location of Records:

1201-200 Yorkland Street
Toronto, ON M2J 5C1

SCHEDULE "C"
FORM OF PORTFOLIO REPORT

(Form attached.)

**This is Exhibit “I”
to the Affidavit of Michael Lombard sworn
remotely before me on November 6, 2023**

DocuSigned by:

Katherine Yurkovich

BF130400C72D4F9

A commissioner for taking affidavits

EXECUTION COPY

SIMPLY GREEN HOME SERVICES INC.

as Lessor and Servicer

and

PEOPLES TRUST COMPANY

as Concurrent Lessee

CONCURRENT LEASE AGREEMENT

as of

November 1, 2021

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CONCURRENT LEASE AGREEMENT

CONCURRENT LEASE AGREEMENT, dated as of November 1, 2021 (this **Agreement**), between **Simply Green Home Services Inc.**, a corporation incorporated under the laws of the Province of Ontario (together with its successors and assigns, the **Lessor**) and **Peoples Trust Company**, a trust company existing under the laws of Canada (**Concurrent Lessee**).

WHEREAS the Lessor is in the business of leasing Approved Equipment to Originators and otherwise acquiring equipment leases from Originators;

AND WHEREAS the Lessor and the Concurrent Lessee wish to enter into this agreement to provide for the concurrent leasing of Approved Equipment subject to Leases by the Lessor to the Concurrent Lessee from time to time.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article 1 - DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Words with initial capital letters in this Agreement (including the above recitals) shall have the meanings set out below:

Additional Term means, in respect of a Concurrent Lease, the balance, if any, of the remaining term of the related Lease after the Lease End Date, less one day; provided that the balance of the remaining term may not exceed the lesser of (i) the useful life of the applicable Lease Asset and (ii) 60 months.

Additional Term Investment means, at any time, the sum of the Additional Term Prepaid Rent, minus the amount of all ATPR Amortization on any prior Settlement Date.

Additional Term Prepaid Rent means, at any time, the aggregate, for each ATPR Scheduled Lease, of the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the related ATPR Scheduled Lease, excluding all Scheduled Payments, but including all escalations in the rental payments the Lessor is entitled to, discounted to the date of determination at the Discount Rate.

Administrative Costs means, in respect of any Lease, all late fees, extension fees and other administrative or similar costs, charges and expenses billed to the applicable Obligor in accordance with the Lessor's customary practice and approved by the Concurrent Lessee, acting reasonably.

Advance Rate means 92%.

Adverse Claim means a security interest, lien, charge, encumbrance or other right or claim, including any filing or registration made in respect thereof, of or through any Person (other than the Concurrent Lessee).

Agreement means this agreement, together with the schedules hereto, as the same may be amended, supplemented, modified, restated or replaced from time to time, and the expressions **hereof**, **herein**, **hereunder**, and **hereby** and similar expressions refer to this agreement and not to any specific article, section, paragraph, subparagraph or clause hereof.

Amortization Event means the occurrence of any of the following events:

- (a) on any Reporting Date as of the end of the related Collection Period, either:
 - (i) the Average Delinquency Rate exceeds 6.5%;
 - (ii) the Average Loss Rate exceeds 2.75%;
- (b) a Servicer Termination Event; or
- (c) an Event of Default under the Credit Agreement that has been declared by the Concurrent Lessee, in writing.

Amortization Period means the period commencing on the date of occurrence of an Amortization Event and ending on the earlier of (i) the date such Amortization Event is waived by the Concurrent Lessee, in its sole discretion, and (ii) the date on which no further amounts are payable to the Concurrent Lessee hereunder.

Approved Equipment shall mean the following equipment and all equipment ancillary to it, including storage water heaters, tankless water heaters, water filtration and/or treatment systems, Heating Recovery Ventilation ('HRV') and/or High-efficiency particulate arrestance ('HEPA') systems, furnace and air conditioning ('HVAC') equipment and boiler systems, sub-metering equipment, home security system, smart home products, as well as such other types and classes of NOSI eligible consumer equipment as may be approved by the Concurrent Lessee in writing.

Approved Originator shall have the meaning ascribed thereto in the Credit Agreement.

ATPR Amortization means, on any Settlement Date, the amount, if any, by which the Additional Term Investment exceeds the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid rental payments coming due over the entire term, ending on the last day of the Additional Term, of the ATPR Scheduled Leases on the immediately preceding Settlement Date, excluding all Scheduled Payments, but including all escalations in the rental payments the Lessor is entitled to, discounted to the date of determination at the Discount Rate.

ATPR Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the average of BMO Prime for the 30 days in effect prior to each Closing Date plus 1.7% per annum, provided that from and after each 5th anniversary of the date of the this Agreement, the ATPR Funding Rate shall be the greater of (A) 4.5% per annum and (B) the BMO Prime in effect for the 30 days prior to the 5th anniversary plus 1.7% per annum.

ATPR Scheduled Leases means the Leases, the related Approved Equipment of which is the subject of a Concurrent Lease at such time, designated by the Lessor to the Concurrent Lessee by notice in writing, as such schedule may be amended by the Lessor on any Settlement Date, provided that, for greater certainty, to the extent any Lease that is an ATPR Scheduled Lease ceases to be subject to a Concurrent Lease hereunder, such Lease shall thereafter cease to be an ATPR Scheduled Lease.

Average Delinquency Rate means for any Reporting Date, the arithmetic mean of the Delinquency Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the Delinquency Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Delinquency Rates for each of the two Collection Periods immediately prior.

Average Loss Rate means for any Reporting Date, the arithmetic mean of the Loss Rates for each of the three Collection Periods immediately prior or (a) in the case of the first Reporting Date, the

Loss Rate for the first Collection Period and (b) in the case of the second Reporting Date, the arithmetic mean of the Loss Rates for each of the two Collection Periods immediately prior.

Blocked Account Agreement means the blocked account agreement made as of April 21, 2021 between the Trustee, the Lessor and The Toronto-Dominion Bank, as the same may be amended, restated, supplemented or replaced from time to time.

BMO Prime means, at any time, the posted "prime rate" of interest charged by Bank of Montreal for its commercial loans that are made in Canadian dollars.

Business Day means any day other than a Saturday, Sunday, or public holiday on which banks are required or permitted to be closed in the Province of Ontario or the Province of British Columbia.

Buyout Purchase Price means the purchase price set out in the Lease at which the Obligor has the option to purchase the Approved Equipment.

Charged-Off Asset means any Lease (i) for which the Servicer has become aware that an Insolvency Event has occurred in respect of the related Obligor or (ii) that is or is required to be charged-off as uncollectible by the Servicer in accordance with the Credit and Collection Policies it being acknowledged that under the Credit and Collection Policies a Lease would be charged-off as uncollectible upon the Servicer becoming aware that an Insolvency Event had occurred in respect of the related Obligor; provided that a Lease will cease to be a Charged-Off Asset if all outstanding amounts are paid in full by the Obligor.

Closing Date means, in respect of a Concurrent Lease, the date specified as such in the applicable Concurrent Lease Notice.

Collection Period means a calendar month, provided that the initial Collection Period shall commence on the Cut-Off Date in respect of the initial Concurrent Lease and the final Collection Period shall end on (and include) the Final Collection Date.

Collections means without duplication (i) in respect of any Leased Asset, all cash collections and other cash proceeds in respect thereof and of the related Rights and Receivables (excluding Administrative Costs and Sales Taxes but including payments of rent, interest and principal) received after the applicable Cut-Off Date, (ii) any Deemed Collections in respect of such Leased Assets, and (iii) the net proceeds of any disposition of the related Leased Asset, except where the proceeds of disposition are payable directly to the Concurrent Lessee.

Collections Account means the account established and maintained in the name of the Lessor as the account owner at The Toronto-Dominion Bank (Branch ID: 14822, Account Number: 5317796) or such other account as is designated by notice to the Lessor as the Collections Account for the purposes hereof, which account shall at all times be subject to a Blocked Account Agreement in form and substance acceptable to the Concurrent Lessee.

Concurrent Lease means each concurrent lease of Approved Equipment entered into in accordance with Article 2.

Concurrent Lease Entitlements has the meaning ascribed thereto in Section 2.6.

Concurrent Lease Notice means the offer by the Lessor to lease Lease Assets to the Concurrent Lessee in the form attached hereto as Schedule "A".

Concurrent Lessee's Proportionate Share means, in respect of the Collections for a Lease, (i) for a Lease that is a ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments plus all payments of escalations plus all regularly scheduled payments to be made by

the Obligor during the Additional Term for such Lease required to fully amortize the sum of Prepaid Rent and Additional Term Prepaid Rent, as applicable, for such Lease over the sum of the Prescribed Term and the Additional Term, as applicable, at the weighted average of the Funding Rate and ATPR Funding Rate, and (ii) for a Lease that is not a ATPR Scheduled Lease, a percentage equal to the proportion of the Scheduled Payments plus all payments of escalations for such Lease required to fully amortize the Prepaid Rent over the Prescribed Term at the Funding Rate.

Credit and Collection Policies means the Lessor's credit, collection and administration policies and procedures relating to its portfolio of loans, as represented in the Lessor's operating procedures manual, which for greater certainty, has been reviewed and approved by the Concurrent Lessee.

Credit Monitoring Fee means, for a Concurrent Lease on a Closing Date, an amount equal to the Prepaid Rent multiplied by the Credit Monitoring Fee Percentage plus, if applicable, the Additional Term Prepaid Rent multiplied by the Credit Monitoring Fee Percentage.

Credit Monitoring Fee Percentage shall initially mean 4.25%, as such percentage may be adjusted in accordance with Section 2.17 and Section 2.18.

Credit Agreement means the warehouse line of credit agreement made as of April 21, 2021 between the Lessor, as borrower, 2775996 Ontario Inc., as guarantor, and the Concurrent Lessee as lender, as the same has been and may be amended, restated, supplemented or otherwise modified from time to time.

Cut-Off Date means the date specified as such in the Concurrent Lease Notice.

Deemed Collections means amounts required to be deposited to the Collections Account pursuant to Section 6.5 hereof.

Deferred Rent has the meaning set forth in Section 2.4.

Delinquency Rate means, for any Collection Period, the sum of the outstanding principal balances of Leased Assets other than Charged-Off Assets that are Delinquent Assets at the end of such Collection Period, divided by the Pool Balance at the end of such Collection Period.

Delinquent Asset means a Lease where any amount payable thereunder or any portion thereof is more than 30 days past due.

Discount Rate means, in respect of a Concurrent Lease, a discount rate equivalent to 4% per annum, provided that the Concurrent Lessee may adjust the Discount Rate on January 2 of any calendar year by notice in writing delivered not less than 30 days before such date in respect of Concurrent Leases to be entered into after such date. Any increase in the Discount Rate cannot exceed any net increase in BMO Prime during the calendar year then ended.

Eligible Asset means any Lease:

- (a) in respect of which the Obligor thereunder is a Person who is resident in Canada and is not (i) an affiliate of the Lessor or the Concurrent Lessee; (ii) the Government of Canada or any agency or instrumentality thereof or any federal crown corporation other than those listed as exempt under applicable legislation from restrictions or requirements for consent or notice on the assignment of receivables in respect of which they are obligors; or (iii) any provincial government or agency thereof if the enforceability against such government or agency of an assignment of debts owing thereby is subject to any pre-condition which has not been fulfilled;

- (b) which is not a Charged-Off Asset or a Delinquent Asset;
- (c) that has a fair market value that is greater than or equal to its face value;
- (d) which is payable to an address in Canada only and is denominated and payable in Canadian Dollars and in respect of which the Obligor has been directed to remit payments to the Collections Account;
- (e) which has been duly authorized, executed and delivered by the parties thereto, has been entered into in compliance with all applicable laws (including any licensure laws applicable to Lessor), and, together with all related Rights (including any guarantee, indemnity or agreement referred to in clause (g) of the definition of Rights), is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (f) which is not subject to any dispute, set-off, counterclaim or defense whatsoever, no prepayments have been made thereunder and which is owned by the Lessor and free of any Adverse Claim and has not been extended or otherwise modified except in the ordinary course of business and in accordance with the Credit and Collection Policies;
- (g) in respect of which the Lessor or the Originator is not in default in the performance of any of the covenants of the Lessor or the Originator thereunder;
- (h) the terms of which do not contravene any laws, rules or regulations applicable thereto (including, without limitation, such laws, rules, or regulations relating to usury, truth in lending, credit business practices, cost of borrowing, consumer protection, equal credit opportunity, fair debt collection practices and privacy), except where such contravention would not materially adversely affect the collectability or enforceability of the related Rights;
- (i) in which the perfection of the Lessor's rights complies with the requirements of the Credit and Collection Policies in all material respects it being acknowledged that Lease Assets that are Low Value Leases do not require perfection of the Lessor's rights;
- (j) the related Obligor is not the subject of any Insolvency Event (except where such Insolvency Event occurred prior to the origination of the Receivable and such origination was consistent with the Credit and Collection Policies) or, to the best of the Lessor's knowledge, there are no such proceedings pending against such Obligor;
- (k) in respect of which the related Rights may be assigned in whole or in part without the consent of the related Obligor;
- (l) which is documented pursuant to a form of contract which is similar in all material respects to one of the forms of contract that have previously been delivered to and accepted by the Concurrent Lessee, acting reasonably;
- (m) in respect of which immediately prior to the lease hereunder the Lessor is the legal and beneficial owner of the Lease Asset, the related Receivables and Rights free and clear of any Adverse Claim;
- (n) in respect of which after the Concurrent Lease of the related Equipment to the Concurrent Lessee, the Concurrent Lessee would be the sole legal and beneficial owner of the related

Concurrent Lease Entitlements with full right to transfer, sell and encumber such Concurrent Lease Entitlements free and clear of any lien;

- (o) that has not been satisfied, subordinated, waived or rescinded;
- (p) that has not been compromised, adjusted or modified except in accordance with the Credit and Collection Policies;
- (q) that was generated in the ordinary course of business;
- (r) except in the case of Low Value Leases, for which all filings or recordings with respect to the Lessor's interest therein and the related Leases and Rights necessary by law or reasonably prudent and desirable for the perfection and protection of such interests including any further filings, recordings or renewals thereof, have been effected by the Lessor (**Lien Registration**);
- (s) in respect of which there is a parts warranty on the related Leased Equipment issued by the manufacturer or a third party insurer that is approved in writing by the Concurrent Lessee, acting reasonably;
- (t) in respect of which the related Originator is an Approved Originator;
- (u) the related Obligor's credit score at the time of origination was not less than 500, provided that the related Obligor may have no measured credit score in respect of a Low Value Lease if evidence has been obtained of the related Obligor's ownership of the residential property at which the related Leased Assets has been installed; and
- (v) which satisfies such other criteria as may be added by the Concurrent Lessee in accordance with Section 5.4 from time to time.

Notwithstanding the foregoing eligibility criteria, the Concurrent Lessee may at any time, in its sole discretion, by notice in writing to the Concurrent Lessor, designate Assets that do not meet such eligibility criteria under paragraphs (a)-(v) above to be deemed Eligible Assets on a case-by-case basis.

ETA means Part IX of the *Excise Tax Act* (Canada).

Excess LS Delinquencies is defined in Section 6.2(l).

Excess LS Delinquencies Reimbursement is defined in Section 6.2(l).

Excess LV Delinquencies is defined in Section 6.2(l).

Excess LV Delinquencies Reimbursement is defined in Section 6.2(l).

Final Collection Date means the date on which all Leases subject to Concurrent Leases have been terminated, fully collected and/or written off as uncollectible pursuant to the Credit and Collection Policies.

Finance Charge Collections means Collections in respect of interest and fees (other than Administrative Costs).

Funding Costs, means, in respect of a Settlement Period, the sum of (i) the product of (i) the Investment as of the first day of the Settlement Period and (ii) the weighted average Funding Rate

for all Concurrent Leases and the related Settlement Period, plus (b) the product of (i) the Additional Term Investment as of the first day of the Settlement Period, and (ii) the ATPR Funding Rate.

Funding Rate means, in respect of a Concurrent Lease and a Settlement Period, an annual interest rate equivalent to the greater of (A) 4.5% per annum and (B) the average BMO Prime in effect for the 30 days prior to such Closing Date plus 1.3% per annum; provided that from and after the 5th anniversary of such Closing Date the Funding Rate for such Concurrent Lease shall be the greater of (c) 4.5% per annum and (D) the average BMO Prime in effect for the 30 days prior to such 5th anniversary plus 1.3% per annum.

GAAP means generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada or any successor body, applicable as at the date in question and applied on a consistent basis.

Governmental Authority means any federal, state, provincial, regional, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

GST/HST means the goods and services tax, harmonized sales tax, and all other amounts payable under the ETA or pursuant to any similar value added tax legislation in any other jurisdiction of Canada or is similar thereto.

Insolvency Event means, in respect of any Person, such Person shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceedings shall be instituted by or against, as the case may be, seeking to adjudicate it as bankrupt or insolvent or seeking liquidation, winding up, reorganization arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of insolvent debtors, or seeking the entry of an order for relief by the appointment of a receiver, trustee, custodian or similar official for its or a substantial part of its property and, if such proceeding has been instituted against such Person, while being contested in good faith by such Person, such proceeding has not been stayed or dismissed within 45 days or a receiver, trustee, custodian or other similar official is appointed for it or any substantial part of its property; or a receiver being privately appointed in respect of a substantial part of the assets of such Person; or such Person, takes any corporate action to authorize any of the actions described above.

Investment means at any time the sum of all Prepaid Rent paid (or deemed to have been made) by the Concurrent Lessee to the Lessor, less (i) the sum of all amounts paid to the Concurrent Lessee on account of the Concurrent Lessee's Proportionate Share allocable to the Investment, less (ii) any Funding Costs allocable to the Investment, less (iii) the Rent Rebate allocable to the Investment paid by the Lessor in respect of all Concurrent Leases terminated from time to time.

ITA means the *Income Tax Act* (Canada) and includes any corresponding, applicable provincial income tax statute, and for greater certainty, where this Agreement refers to a specific provision of the ITA, such reference includes a reference to any corresponding provision of an applicable provincial income tax statute.

Lease means a lease or rental agreement or similar agreement (including a sub-metering agreement) for the lease or sale of Approved Equipment originated by an Originator.

Lease Asset means a Lease together with the related Rights.

Lease End Date means, in respect of any Lease and Concurrent Lease, the Settlement Date immediately following the scheduled date of the last Scheduled Payment under the related Lease.

Leased Assets means the Approved Equipment concurrently leased or purported to be concurrently leased by the Concurrent Lessee hereunder (other than Concurrent Leases terminated hereunder).

Loss Rate means in respect of a Collection Period, net losses in respect of Leases subject to Concurrent Leases divided by the original outstanding net present value of the Leases subject to Concurrent Leases subject to losses during such Collection Period.

Low Score Leases means Leases in respect of which the beacon score of the related Obligor is less than 600 but greater than 500 on the date such Lease is originated.

Low Value Lease means a Lease Asset in respect of which the related Approved Equipment is a water heater or other equipment where the original monthly rental amount (excluding taxes) is less than \$45, or a tankless water heater where the original monthly rental amount (excluding taxes) is less than \$65.

Material Adverse Effect means, in respect of any Person or any Lease subject to a Concurrent Lease any effect on it which could reasonably be expected to have an adverse impact on (i) in the case of such Person the ability of such Person to perform its obligations hereunder or under any Related Document, or (ii) the enforceability or collectability of such Lease or (iii) the value of such Lease.

Obligor means in respect of any Lease, the Person or Persons obligated to make payments thereunder.

Originator has the meaning ascribed thereto in the Credit Agreement.

Outstanding Balance means, in respect of a Concurrent Lease, the product of (i) the Advance Rate, and (ii) the sum of the net present values of each unpaid Scheduled Payment plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Person means an individual, partnership, corporation, trust, joint venture, unincorporated association, government (or any agency or political subdivision thereof) or other entity.

Pool Balance means at any time the aggregate Outstanding Balance of all Concurrent Leases other than in respect of Charged-Off Assets or Lease Assets where the related Concurrent Lease has been terminated.

Portfolio Report means a report substantially in the form attached hereto as Schedule "C", delivered by the Lessor to the Concurrent Lessee pursuant to Section 6.2(l)).

PPSA means the *Personal Property Security Act* (British Columbia) or the comparable legislation of the other provinces of Canada including, in Québec, the Civil Code of Québec.

Prepaid Rent means the lump sum rent required to prepay the original monthly rental amount due under any Concurrent Leases pursuant to Article 2, which shall be equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment of the applicable Lease Asset, discounted to the related Closing Date at the applicable Discount Rate.

Prescribed Term means, in respect of any Lease at any time, the lesser of 10 years and the remaining term of such Lease at such time less one day.

Program Agreements has the meaning ascribed thereto in the Credit Agreement.

PST means amounts payable under any statute in Canada imposing a single stage retail sales tax.

Receivables means, in respect of any Lease, all moneys payable with respect to such Lease Asset including all scheduled periodic payments, principal, interest, interchange, extra charges, fees and penalties and other moneys payable by the related Obligor (exclusive of Administrative Costs) during the period from but excluding the Cut-Off Date, to the date when all amounts have been paid under such Lease.

Records means, in respect of any Lease subject to a Concurrent Lease, all contracts (including those evidencing such Lease), books, records, reports and other documents and information (including, to the extent obtainable by way of existing software controlled by the Lessor, hard copies of all data maintained in databases of the Lessor, tapes and disks) maintained by or on behalf of the Lessor in respect of the Lease and the related Obligor.

Related Documents means any agreement, document, exhibit, notice or other communication which has at any time been delivered by the Lessor to the Concurrent Lessee pursuant hereto, including all agreements and documents required hereunder.

Rental Amount means in respect of a Lease, the original regularly-scheduled monthly rental payment amount of the Obligor thereunder.

Rent Rebate means, at any time with respect to any Concurrent Lease in respect of which the Concurrent Lessee made a payment of Prepaid Rent and, if applicable, Additional Term Prepaid Rent, an amount equal to the product of (i) the Advance Rate and (ii) the sum of the net present values of each unpaid Scheduled Payment, plus, if applicable, each unpaid regularly scheduled payment to be made by the Obligor during the Additional Term arising under the related Lease, discounted to the date of determination at the applicable Discount Rate.

Replacement Servicer means any Person appointed by the Concurrent Lessee to replace the initial or any subsequent Servicer upon the occurrence of a Servicer Termination Event.

Replacement Servicer Fee has the meaning given to it in Section 7.3.

Reporting Date means in respect of a Collection Period the second Business Day preceding the related Settlement Date.

Rights means, in respect of any Lease, the following:

- (a) all rights and benefits accruing to the Lessor under such Lease, including all right, title and interest in and to the related receivables;
- (b) all of the Lessor's right, title and interest in and to the related Approved Equipment;
- (c) all right in or to payments (including both proceeds and, to the extent the Lessor has any rights therein, premium refunds) under any insurance policies maintained by the related Obligor pursuant to the terms of such Lease or by the Lessor in respect of such Lease;
- (d) all claims, demands, actions, damages and indemnities owing to the Lessor under such Lease;
- (e) the right of the Lessor to ask, demand, sue for, collect, receive and enforce any and all sums payable under the Lease and to enforce all other covenants, obligations, rights and remedies thereunder with respect thereto;

- (f) all of the right, title and interest of the Lessor in, to and under all prepayments made after the Cut-Off Date, guarantees, promissory notes and indemnities (including all security interests and all property subject thereto) from time to time supporting or securing payment or performance of the related Obligor's obligations in respect of the Lease, whether pursuant to the Lease or otherwise;
- (g) the related Records; and
- (h) all proceeds of or relating to any of the foregoing.

Sales Taxes means all federal, provincial and other sales, goods and services, value added, use or other transfer taxes, and all other similar taxes whatsoever, including GST/HST and PST.

Scheduled Payment means, in respect of a Lease, the Rental Amount payable by the Obligor thereunder during a term not exceeding the lesser of (i) the remaining term of the Lease, (ii) ten years and (iii) the remainder of the Prescribed Term.

Security Agreement has the meaning ascribed thereto in the Credit Agreement.

Servicer means Lessor in its capacity as servicer hereunder and any Replacement Servicer.

Servicing Fee means in respect of any Settlement Date, a fee not exceeding 0.40% per annum of the Pool Balance at such time.

Servicer Termination Event has the meaning set forth in Section 7.1.

Settlement Date means, in respect of a Collection Period, the 15th calendar day of the calendar month (or the next Business Day if such day is not a Business Day) following the calendar month related to such Collection Period.

Settlement Period means in respect of a Settlement Date, the period commencing on and including the immediately preceding Settlement Date to but excluding such Settlement Date, provided that the first Settlement Period shall commence on and include the date of this Agreement and the final Settlement Date shall end on and exclude the Final Collection Date.

1.2 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include each gender. Unless the context requires otherwise, any reference herein to any Person shall be construed to include such Person's successors and permitted assigns.

1.3 Headings and Table of Contents

The table of contents does not form part of this Agreement. Article and Section headings are not to be considered part of this Agreement, are included solely for convenience of reference and do not define, limit or enlarge the construction or interpretation hereof.

1.4 References to Sections, Articles and Schedules

Unless otherwise provided, all references herein to Sections, Articles or Schedules are references to Sections, Articles and Schedules of or to this Agreement.