



0219

Equipment Note Number: 9505-305914

This **Equipment Security Note** ("Equipment Note"), dated as of **July 19, 2021** between Essex Lease Financial Corporation, an Alberta corporation having an office at 10768 74th Street SE, Calgary, Alberta T2C 5N6 ("Lender") and **2658658 Ontario Inc.** ("Borrower,"), is executed pursuant to Master Loan and Agreement Number **9505** dated **July 19, 2021** (the "**Master Agreement**,"), which is incorporated into this Equipment Note by this reference. All capitalized terms used herein and not defined herein shall have the respective meanings assigned to such terms in the Master Agreement. If any provision of this Equipment Note conflicts with any provision of the Master Agreement, the provisions contained in this Equipment Note shall prevail. Borrower hereby authorizes Lender to insert the serial numbers and other identification data of the equipment, dates, and other omitted factual matters or descriptions in this Equipment Note.

The occurrence of a "**Default**," as defined in the Master Agreement, shall entitle Lender to accelerate the maturity of this Equipment Note and to declare the Prepayment Amount to be immediately due and payable, and to proceed at once to exercise each and every one of the remedies provided in the Master Agreement or otherwise available at law or in equity. All of Borrower's Obligations under this Equipment Note are absolute and unconditional and shall not be subject to any offset or deduction whatsoever. Borrower waives any right to assert, by way of counterclaim or affirmative defense in any action to enforce Borrower's Obligations hereunder, any claim whatsoever against Lender.

1. Description of Equipment; Location. The equipment subject to this Equipment Note, which has a cost to Lender in the aggregate of **\$1,230,000.00**, which may include taxes, shipping, installation and other related expenses, if any (collectively "**Lender's Cost**"), are as follows:

Quantity	Description and Serial Number	Lender's Cost
One (1)	2022 Azimut S7 Mini-Fly Exploration Vessel s/n XAXS7047F122 c/w Volvo Penta D13 IPS 1050 800 mHP (s/n 20132060472), Volvo Penta D13 IPS 1050 800 mHP (s/n 20132060504), Volvo Penta D13 IPS 1050 800 mHP (s/n 20132060470)	\$1,230,000.00

Location of Equipment. The Equipment will be located or (in the case of over-the-road vehicles) based at the following locations:

Location Address: 2057 Parklane Cres, Burlington, ON L7M 3V6

Borrower has agreed and does hereby grant a security interest in and to the Equipment and the Collateral related thereto, whether now owned or hereafter acquired and wherever located, in order to secure the payment and performance of all Obligations owing to Lender, including but not limited to this Equipment Note, all as more particularly provided in the Master Agreement. Lender's agreement to provide the financing contemplated herein shall be subject to the satisfaction of all conditions established by Lender and Lender's prior receipt of all required documentation in form and substance satisfactory to Lender in its sole discretion.

2. Principal. For value received, Borrower promises to pay to the order of Lender, the principal amount of **\$1,230,000.00**, together with interest thereon as provided herein. This Equipment Note shall be payable by Borrower to Lender in **Sixty (60)** consecutive monthly installments of principal and interest (the "**Payments**") commencing on **September 1, 2021** (the "**Initial Payment**") and continuing thereafter through and including **August 1, 2026** (the "**Maturity Date**") (collectively, the "**Equipment Note Term**"). Each Payment shall be in the amount provided below, and due and payable on the same day of the month as the Initial Payment set forth above in each succeeding payment period (each, a "**Payment Date**") during Equipment Note Term. All interest hereunder shall be calculated on the basis of a year of 360 days comprised of 12 months of 30 days each. The final Payment due and payable on the Maturity Date shall in any event be equal to the entire outstanding and unpaid principal amount of this Equipment Note, together with all accrued and unpaid interest, charges and other amounts owing hereunder and under the Master Agreement.

3. Interest Rate. Interest shall accrue on the entire principal amount of this Equipment Note outstanding from time to time at a fixed rate of **Six And Forty-Nine Hundredths (6.49%) percent per annum** or, if less, the highest rate of interest permitted by applicable law (the "**Interest Rate**"), from the date hereof until the principal amount of this Equipment Note is paid in full and shall be due and payable on each Payment Date.

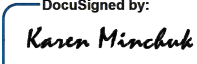
4. Payment Amount. The principal and interest amount of each Payment shall be **\$24,112.65**.

5. Borrower Acknowledgements. Upon delivery and acceptance of the equipment, Borrower shall execute this Equipment Note evidencing the amounts financed by Lender in respect of such equipment and the payments of principal and interest hereunder. By its execution and delivery of this Equipment Note, Borrower:

- (a) reaffirms of all of Borrower's representations, warranties and covenants as set forth in the Master Agreement and represents and warrants that no Default under the Master Agreement exists as of the date hereof;
- (b) represents, warrants and agrees that: (i) the Equipment has been delivered and is in an operating condition and performing the operation for which it is intended to the satisfaction of Borrower; (ii) each item of Equipment has been unconditionally accepted by Borrower for all purposes under the Master Agreement and this Equipment Note; and (iii) there has been no material adverse change in the operations, business, properties or condition, financial or otherwise, of Borrower or any Guarantor since the original signing of the Master Loan and Security Agreement;
- (c) authorizes and directs Lender to advance the principal amount of this Equipment Note to reimburse Borrower or pay Vendors all or a portion of the purchase price of Equipment in accordance with vendors' invoices therefor, receipt and approval of which are hereby reaffirmed by Borrower; and,
- (d) agrees that Borrower is absolutely and unconditionally obligated to pay Lender all Payments at the times and in the manner set forth herein.

ESSEX LEASE FINANCIAL CORPORATION

2658658 ONTARIO INC.

By: 
Name/Title: D54962A42B414AB...

By: 
Name/Title: 20240615/2658658
Glenn Page, Director

Acceptance Date: July 19, 2021

Where multiple counterpart originals of this Equipment Note have been executed by Borrower and Lender, only the counterpart marked "Lender's Copy" shall be deemed chattel paper evidencing the Loan of Equipment subject to this Equipment Note, and a security interest in such chattel paper and Loan may be perfected through the transfer and possession of the "Lender's Copy" of such Equipment Note only, without the need to transfer possession of the Master Agreement, any Related Agreement or any other document executed and delivered in connection with this Equipment Note.



0220

Master Loan Agreement & Equipment Note Letter of Direction

Subject: Master Loan Agreement & Equipment Note **9505-305914** dated **July 19, 2021**

Please accept this letter as your authorization and direction to disburse proceeds of the subject **Master Loan Agreement & Equipment Note** as follows:

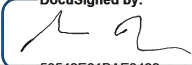
Pride Marine Group Limited

\$1,230,000.00

Payment by this method shall constitute full payment under the subject **Master Loan Agreement & Equipment Note**.

Yours very truly,

2658658 Ontario Inc.

DocuSigned by:

50542E61BAE3499...
Glenn Page, Director

0221

**CONFIRMATION OF PAYABLE STATUS****Borrower Name:** 2658658 Ontario Inc.**Date:** July 19, 2021

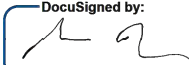
The undersigned certifies to Essex Lease Financial Corporation ("ELFC") that the information provided in this statement and on any accompanying reports is complete and accurate in all respects as at the date specified above. Furthermore, the undersigned certifies that all sums owed to privileged and preferred creditors, including government agencies, have been paid and any amounts owing are current in accordance with the permitted time frame for payment set by the particular creditor/agency. The undersigned agrees to maintain such payables in a current status while indebted to ELFC and to provide ELFC with confirmations of the status of such outstanding payables from time to time upon request.

In addition to providing the information specified above, the Borrower hereby authorizes ELFC to make inquiries of government departments including Revenue Canada, the Provincial Treasurer, the Worker's Compensation Board, and applicable municipal government departments, and the Borrower hereby directs such departments to provide ELFC information respecting the Borrower's status of payments due to such government departments and/or agencies.

This statement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Any party may deliver an executed signature page to this statement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the statement by such party.

Dated Jul 21, 2021.

2658658 Ontario Inc.

DocuSigned by:


50542E61BAE3499...
Glenn Page, Director



PAD Agreement

Definitions:

Pre-Authorized Debit ("PAD"): means a pre-authorized payment in electronic form drawn pursuant to a PAD Agreement on an account of my choosing as Payor held by my Financial Institution ("FI").
In this agreement, "I", "We", "Our", "My", "Payor", "Me" refers to the person signing this Agreement

Operation:

I understand and undertake that:

- (a) this authorization is for the benefit of Essex Lease Financial Corporation (the "Company") and my FI. My FI agrees to process debits against my account in accordance with the rules of the Canadian Payment Association.
- (b) giving this authorization to the Company is the same as giving it to my FI;
- (c) my FI is not required to verify that the PAD conforms with my authorization;
- (d) my FI is not required to verify that the purpose of payment to which this PAD relates has been fulfilled;
- (e) revoking this authorization does not terminate any contract between the Company and me. My authorization applies only to the method of payment and has no bearing otherwise on any contract;
- (f) **I waive all notification rights knowing that I am entitled to receive notice from the Company no less than 10 calendar days in advance:**
 - i. **In the case of a fixed amount PAD, before the due date of the first PAD and every time there is a change; or**
 - ii. **In the case of a variable amount PAD, before every PAD.**
- (g) the Company shall be entitled to charge Payor such payments and fees, including without limitation NSF charges and past due interest, and such other charges, as it may establish from time to time for the administration of and ancillary matters to the contract. Authorization for such payments and fees will be obtained from the Payor by telephone or email.
- (h) the Payor may instruct the Company to change the amount of a PAD and/or the date of a PAD by telephone or email.
- (i) This agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- (j) Any party may deliver an executed signature page to this agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the agreement by such party.

The Account:

I confirm that:

- (a) all persons required to sign on this account have signed this agreement;
- (b) I certify that all of the personal and account information recorded in this Agreement is correct. I will inform the Company in writing of any change to such information at least 10 business days prior to the next due date of the PAD.

Cancellation:

I/We may revoke my/our authorization at any time, subject to providing notice of at least 10 days prior to next PAD due date. I/We must advise the Company in writing or by signing the cancellation area below. To obtain a sample cancellation form, or for more information on my right to cancel a PAD Agreement, I/We may contact my FI or visit www.cdnpay.ca.

Dispute and Reimbursement:

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my/our recourse rights, I/we may contact my/our FI or visit www.cdnpay.ca.

I understand that:

- (a) I may dispute a PAD and claim for reimbursement if:
 - i. the PAD was not drawn in accordance with this authorization; or
 - ii. the authorization was revoked; or
 - iii. no Agreement exists between me and the purported Company
- (b) if I am claiming reimbursement, I must, within 10 calendar days of the date of posting of a Business PAD (90 days in the case of a Consumer PAD), complete a declaration to my FI that I have a claim for one of the reasons given in the preceding paragraph;
- (c) any claim relating to a PAD that is advanced after the expiry of the time in the preceding paragraph is strictly a matter between the Company and me.
- (d) in the case where the dispute is a result of paragraph (a)iii. above, I may claim reimbursement within 90 calendar days after the posting date on my account statement which shows the improperly processed debit.

I authorize the processing of a Pre-Authorized Debit ("PAD") through my account as detailed below:

Payors Name **2658658 Ontario Inc.**

Name of Financial Institution _____

Address of Financial Institution _____ Phone _____

MICR Field Information - attach a void cheque:

Transit #				

Route #		

Account #											

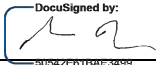
Frequency: ☒ Monthly ☐ Half-Monthly ☐ Weekly ☐ Bi-Weekly ☐ One Time ☐ Other (Specify) _____

Amount (if fixed) **\$24,112.65** Payments to commence **September 1st, 2021**

PAD is for contract **9505-305914** and is a: ☐ Consumer ☒ Business PAD

I agree to the terms and conditions of this agreement.

Dated: **July 19, 2021**

DocuSigned by:

 Glenn Page, Director

Authorization to cancel PAD

Date: _____

Signature: _____



0223

Invoice

To: **2658658 Ontario Inc.**
2057 Parklane Cres
Burlington, Ontario L7M 3V6

Date: **July 19, 2021**

Re: **Equipment Note 9505-305914**

Invoice No. 9505-305914

Registration & Handling Fee		\$5,000.00
	Subtotal	\$5,000.00
GST Reg. No.101687705	GST/HST	\$250.00
Total		\$5,250.00
Total Amount Due		\$5,250.00

Invoice Payment Options:

Please debit my account for payment of this invoice

Wire payment to ELFC:

Beneficiary Bank: ATB FINANCIAL
102 8 Avenue SW, Calgary, AB T2P 1B3
Swift Code: ATBRCA6E
Bank # 219 Transit # 07609 Account # 00194721479
Beneficiary: ESSEX LEASE FINANCIAL CORPORATION
10768 74th Street SE, Calgary, AB T2C 5N6

Please email notification of wire transfer to customerservice@elfc.ca



MASTER LOAN AND SECURITY AGREEMENT

Master Loan and Security Agreement Number: 9505

This Master Loan and Security Agreement, dated as of **July 19, 2021** (this "Agreement"), is by and between Essex Lease Financial Corporation, an Alberta corporation having an office at 10768 74th Street SE, Calgary, Alberta, T2C 5N6, together with its successors and assigns, as "Lender", and **2658658 Ontario Inc.** as "Borrower", a corporation existing under the laws of the province of Alberta and having its head office at **2057 Parklane Cres, Burlington, Ontario L7M 3V6**. Certain defined terms used herein are identified in bold face and quotation marks throughout this Agreement and in Section 15 below. This Agreement sets forth the terms and conditions for the financing of Equipment between Lender and Borrower pursuant to one or more "Equipment Notes" incorporating by reference the terms of this Agreement, together with all exhibits, addenda, schedules, certificates, riders and other documents and instruments executed and delivered in connection with such Equipment Note (as amended from time to time, an "Equipment Note"). Each Equipment Note constitutes a separate, distinct and independent financing of Equipment and contractual obligation of Borrower. This Agreement is not an agreement or commitment by Lender or Borrower to enter into any future Equipment Notes or other agreements, or for Lender to provide any financial accommodations to Borrower. Lender shall not be obligated under any circumstances to advance any progress payments or other funds for any Equipment or to enter into any Equipment Note if there shall have occurred a material adverse change in the operations, business, properties or condition, financial or otherwise, of Borrower or any Guarantor (as applicable). This Agreement and each Equipment Note shall become effective only upon Lender's acceptance and execution thereof at its corporate offices set forth above.

1. Equipment Note; Grant of Security Interest. Lender and Borrower agree to finance Equipment described in one or more Equipment Notes entered into from time to time, together with all other documentation from Borrower required by Lender with respect to such Equipment Note. Upon receipt of any item or group of Equipment intended for financing hereunder, Borrower shall execute an Equipment Note, with all information fully completed and irrevocably accepting such Equipment for Equipment Note, and deliver such Equipment Note to Lender for its review and acceptance. To secure the punctual payment and performance of Borrower's Obligations under each Equipment Note and, as a separate grant of security, to secure the payment and performance of all other Obligations owing to Lender, Borrower grants to Lender a continuing security interest in all of Borrower's right, title and interest in and to all Equipment, together with: (i) all parts, attachments, accessories and accessions to, substitutions and replacements for, each item of Equipment; (ii) all accounts, chattel paper, and general intangibles arising from or related to any sale, lease, Payments or other disposition of any Equipment to third parties, or otherwise resulting from the possession, use or operation of any Equipment by third parties, including instruments, investment property, deposit accounts, letter of credit rights, and supporting obligations arising thereunder or in connection therewith; (iii) all insurance, warranty and other claims against third parties with respect to any Equipment; (iv) all software and other intellectual property rights used in connection therewith; (v) proceeds of all of the foregoing, including insurance proceeds and any proceeds in the form of goods, accounts, chattel paper, documents, instruments, general intangibles, investment property, deposit accounts, letter of credit rights and supporting obligations; and (vi) all books and records regarding the foregoing, in each case, now existing or hereafter arising (the "Collateral"). Provided that there then exists no Event of Default, Lender's security interest in Collateral subject to an Equipment Note shall terminate upon the payment and performance of all Obligations of Borrower under the applicable Equipment Note. Notwithstanding the grant of a security interest in any Collateral, Borrower shall have no right to sell, lease, dispose or surrender possession, use or operation of any Equipment to any third parties without the prior written consent of Lender.

2. Payments; Interest on Overdue Payment. "Payments" of principal and interest payable by Borrower to Lender shall be payable to Lender during the "Equipment Note Term" through and including the "Maturity Date", all as provided in the Equipment Note. All Payments and other amounts payable under an Equipment Note shall be made in immediately available funds at Lender's address above or such other place as Lender shall specify in writing. Borrower shall without notice pay interest at the rate of twenty-four percent (24%) per annum, calculated and compounded monthly and not in advance, on: (A) any past due Payments, (B) any amounts which bear interest according to this Equipment Note and (C) any other amounts due to Lender hereunder which are not paid on their due dates; in each case from the date any such amount becomes due to interest bearing, before and after maturity, default and judgment, until such arrears or other amounts are paid in full. Except as specifically provided in the applicable Equipment Note, Borrower shall not have the right to prepay any Equipment Note. In no event, and notwithstanding anything contained herein to the contrary or in any Equipment Note, shall any provision herein or therein require interest in excess of the maximum amount permitted by applicable law. If necessary, to give effect to these provisions, Lender will, at its option, and in accordance with applicable law, either refund any amount to Borrower in excess of that allowed by applicable law or credit such excess amount against the then unpaid principal balance under the applicable Equipment Note(s). Unless otherwise provided herein, payments received under any Equipment Note will be applied to all interest, fees and other costs and expenses due and owing, then to accrued interest and then to unpaid principal.

3. Unconditional Financing; Disclaimer of Warranties. Borrower's Obligations under each Equipment Note (i) shall be non-cancelable, absolute and unconditional under all circumstances for the entire Equipment Note Term, (ii) shall be unaffected by the loss or destruction of any Equipment, and (iii) shall not be subject to any abatement, deferment, reduction, set-off, counterclaim, recoupment or defense for any reason whatsoever. TO THE EXTENT NOT PROHIBITED BY LAW OR STATUTE, BORROWER HEREBY WAIVES THE BENEFIT OF ALL PROVISIONS OF ALL APPLICABLE SALE OF GOODS, CONDITIONAL SALES, REGULATORY, CREDIT AND OTHER STATUTES AND ALL REGULATIONS MADE THEREUNDER IN ANY APPLICABLE JURISDICTION WHICH WOULD IN ANY MANNER AFFECT, RESTRICT OR LIMIT THE RIGHTS AND REMEDIES OF LENDER HEREUNDER, including, without limitation the generality of the foregoing, all of Borrower's rights, benefits and protections given or afforded by the provisions of Section 49 of the Law of Property Act (Alberta) and The Limitation of Civil Rights Act of Saskatchewan, as amended. Borrower also waives and assigns to Lender the right of any statutory exemption from execution or otherwise and further waives any right to demand security for costs in the event of litigation.

4. Installation, Maintenance and Repair; Use. Borrower shall, at its expense, be responsible for: (A) the delivery, installation, de-installation and re-delivery of the Equipment and (B) the maintenance, upkeep, care, servicing and repair (including necessary replacements of parts ("Maintenance") of the Equipment; in both cases by competent, duly qualified and licensed personnel acceptable to Lender and Borrower shall maintain all records, logs and other materials, in compliance with all manufacturer and vendor requirements to maintain all applicable warranties and insurance in effect and all applicable laws and regulations. Borrower shall at its expense keep the Equipment in good repair, condition and working order in compliance with manufacturer's recommendations and requirements. Borrower shall not, without the prior written consent of Lender, make any alterations, additions or improvement to the Equipment. All such alterations, additions or improvements shall be at Borrower's expense and shall belong to and become part of the Collateral subject to the Lender's security interest. [On Lender's request], Borrower shall enter into a Maintenance agreement respecting the Equipment with the manufacturer thereof or other Maintenance supplier acceptable to Lender. Borrower shall use the Equipment in a careful and prudent manner for the purpose for which it was designed and in accordance with manufacturer's guideline, the applicable operator's manual and not for any unlawful purpose and shall at Borrower's expense comply with and conform to all applicable laws, ordinances and regulations (including laws, ordinances and regulations concerning environmental matters) relating to the possession, use or Maintenance of the Equipment. Borrower shall only use the Equipment in connection with its business or in the carrying on of an enterprise and only for commercial, industrial, professional or handicraft purposes and shall not use the Equipment for any personal, family household or farming purposes. If the equipment is a vehicle, Borrower shall be responsible for payment of all tickets and other fines in connection with any traffic or parking violations. Borrower shall not change the location, or, in the case of over-the-road vehicles, the base of any Equipment specified in its Equipment Note without Lender's prior written consent. The Equipment may have a global positioning system ("GPS") or other technology that provides information about the location and or use and maintenance about the Equipment. The Borrower understands that the information resulting from this technology can be accessed by the Lender for so long as the Equipment is subject to an Equipment Note. Borrower hereby authorizes Lender to contact any third-party provider of such services and authorizes such third-party provider to provide the requested information to the Lender and to enable the system if requested by the Borrower.

5. Loss and Damage; Net Equipment Note. Borrower shall bear the entire risk of loss, damage, destruction, theft, seizure or governmental taking of the Equipment or any part thereof (any such case being a "Loss"), regardless of whether it is caused by any default or neglect of Borrower. No Loss shall relieve Borrower of its obligations hereunder. ALL COSTS AND EXPENSES RELATING TO THE EQUIPMENT OR ITS USE, MAINTENANCE OR POSSESSION SHALL BE BORNE BY BORROWER, INCLUDING ALL TAXES AND ALL FEES, CHARGES, CLAIMS AND FINES INCURRED OR ARISING IN CONNECTION WITH THE REGISTRATION, LICENSING OR OPERATION OF THE EQUIPMENT. The Payments and other amounts payable hereunder shall be absolutely net to Lender, free of all expenses or outgoings of any kind or nature. If Borrower fails to perform any of its obligations under this Equipment Note, Lender may do so on Borrower's behalf and shall be entitled to immediate reimbursement from Borrower; without prejudice to any other of Lender's rights or remedies, and Borrower appoints Lender its lawful attorney for such purposes.

6. Insurance; Failure to Insure. Borrower, at its own expense, will place and maintain with insurers acceptable to Lender, (i) comprehensive all risks insurance on the Equipment for its full replacement value, such insurance to include: (A) a loss payable clause in favour of Lender as first payee, and (B) a waiver of subrogation in favour of Lender and (ii) general public liability and property damage insurance with limits of liability equal to at least \$2,000,000 per occurrence (or such greater amount as Lender may require from time to time), and such insurance shall: (A) extend to all liabilities of Borrower arising out of its use or possession of Equipment, and (B) include a cross-liability provision which insures each person insured thereunder in the same manner and to the same extent as if a separate policy had been issued to each. All insurance policies shall contain endorsements providing that: (A) thirty days written notice shall be given to Lender before a policy lapse or is materially altered or cancelled; (B) coverage shall be primary and not contributory; (C) Lender's interest as additional insured shall not be invalidated or otherwise affected by any act or omission, deliberate, negligent or otherwise of Borrower or its agents, servants or employees (such as a "standard mortgagee clause"); (C) Lender shall not be responsible for payment of any premium; and (D) Lender may elect to have all proceeds of loss payable only to itself. Borrower shall, on request, supply Lender with certified copies of all insurance policies or other evidence satisfactory to Lender of satisfaction of these insurance covenants. In the event of damage amounting to actual or constructive total loss of the Equipment, Lender shall be entitled to retain from all insurance proceeds an amount equal to the Prepayment Amount for such Equipment, together with the Payment scheduled for payment on such date, and all accrued interest, late charges and other amounts then due and owing under the Equipment Note. If Borrower fails to fulfill its insurance obligations hereunder, then, without prejudice to Lender's other rights and remedies, Lender shall have the right, but not the obligation, to procure insurance covering Lender's interest (but not Borrower's interest) in value of the Equipment underlying the Equipment Note, in such form and amount and with such insurers (including an insurer affiliated with the Lender) as Lender shall determine from time to time, all at Borrower's expense. Such expense (the "Insurance Expense") shall include the cost of acquiring such insurance and any charges or fees for services associated with the placement, maintenance or service of such insurance, plus interest accruing on such expense at the interest rate provided herein for overdue amounts until such expense is reimbursed by Borrower to Lender. Borrower shall pay the Insurance Expense to Lender in equal installments at the same time and in the same manner as the remaining Payments. Borrower shall cooperate with Lender's insurance agent in connection with the placement of such insurance and the processing of any claims. Nothing herein shall be deemed to obligate or entitle Lender to act as an insurer hereunder or to arrange any insurance for the benefit of Borrower. Nothing hereunder shall require Lender to secure, maintain in force or renew any insurance, in any amounts or upon any specific terms and conditions. Lender reserves the right to terminate any insurance coverage which Lender may arrange, or allow same to lapse, without incurring any liability to Borrower.

7. Indemnities; Taxes. Borrower hereby indemnifies Lender and agrees to save Lender harmless from and against all loss, costs, liabilities, claims, legal proceedings and expenses (including legal fees and costs, collectively "Legal Fees") whatsoever arising in connection with this Equipment Note, any Related Documents, the Equipment, the manufacture, selection, purchase, ownership, delivery, possession, use, Maintenance, operation, Loss of the Equipment, Taxes, the recovery of claims under any insurance policy relating the Equipment, any use or operation of Equipment which infringes any patent or other industrial or intellectual property right of any person, any Default by Borrower, the exercise by Lender of any rights or remedies hereunder or any entry or taking of possession, removal or disabling of Equipment pursuant to Section 23. Borrower shall pay or reimburse Lender, and indemnify, defend and hold Lender harmless from, on an after-tax basis, all taxes, assessments, fees and other governmental charges paid or required to be paid by Lender or Borrower in any way arising out of or related to the Equipment or any Equipment Note before or during the Equipment Note Term or after the Equipment Note Term following an Event of Default, including foreign, Federal, provincial and municipal fees, taxes and assessments, and property, value-added, sales, use, gross receipts, excise, stamp and documentary taxes, and all related penalties, fines, additions to tax and interest charges ("Impositions"), excluding only federal and provincial taxes based on Lender's net income. Upon Lender's request, Borrower shall furnish proof of its payment of any Imposition.

8. Borrower Representations and Agreements. Borrower represents, warrants and covenants that: (A) the Borrower will continue to be validly incorporated (or otherwise established), organized and existing and in good standing; (B) it has all necessary power and authority to execute, deliver and perform this Equipment Note, each such action (i) having been duly authorized by all necessary action of Borrower, (ii) not being in conflict with any applicable law, the constating documents, resolutions or by-laws of Borrower or any indenture, instrument, agreement or undertaking to which it is a party or by which it or any of its assets are or may become bound, and (iii) not resulting in the creations of any Encumbrance on the Equipment; (C) this Equipment Note is and will continue to be the legal, valid and binding obligation of Borrower enforceable against it and effective against its creditors in accordance with its terms; (D) there are not pending or threatened actions or proceedings before any court, administrative agency or other tribunal that could have a material adverse effect on Borrower; (E) financial statements and other related information furnished by Borrower to Lender are prepared in accordance with generally accepted accounting principles and fairly present Borrower's financial position on their respective dates; (F) to evidence the foregoing Borrower shall provide legal opinions, resolutions and such other documents as Lender may reasonably request; (G) Borrower has had for the previous 5 years (except as previously disclosed to Lender in writing) the legal name and form of business organization in the jurisdiction described above; (H) Borrower's chief executive office and notice address is as described with its execution of this Agreement below; and (I) Borrower shall notify Lender in writing at least 30 days before changing its legal name, jurisdiction of organization, chief executive office location.

9. Title; Property; Security; Location.

- (a) Title: Personal Property. Borrower shall be the sole owner of Equipment free and clear of all liens or encumbrances, other than Lender's rights under the Equipment Note. Borrower will not create or permit to exist any lien, security interest, charge or encumbrance (collectively "Encumbrances" or an "Encumbrance") on any Equipment except those in favor of Lender. The Equipment shall remain personal property at all times, notwithstanding the manner in which it may be affixed to realty. Borrower shall obtain and record such instruments and take such steps as may be necessary to (i) prevent any creditor, landlord, mortgagee or other entity (other than Lender) from having any Encumbrance on any Equipment, and (ii) ensure Lender's right of access to and removal of Equipment in accordance with the terms hereof.
- (b) Location. Borrower shall maintain the Equipment at the Equipment Locations specified in the Schedules and shall not move the Equipment from such locations without the prior written consent of Lender. Lender shall have the right to inspect the Equipment and Borrower's Maintenance, insurance and Tax records at any time.

10. Default. Each of the following is a default (a "Default") by the Borrower: (a) Borrower fails to make any Payment or pay any other amounts due under this Equipment Note when the same is due and payable; (b) Borrower fails to perform, observe or comply with any other obligation, term or condition on its part to be performed, observed or complied with hereunder; (c) any event of default occurs under any other Equipment Note or contract between Lender and Borrower or under any material agreement between Borrower and any other person; (d) any representation or warranty made by Borrower to Lender in or in connection with this Equipment Note is incorrect; (e) the Equipment or any part thereof is subjected to an Encumbrance not caused by Lender, Borrower sells or attempts to sell or grant an Encumbrance on any part of the Equipment or the value of Lender's interest in the Equipment is materially impaired due to Loss; (f) any proceeding in bankruptcy, receivership, winding-up, dissolution, liquidation or insolvency is commenced by or against Borrower or its property; (g) if the Borrower sells all or substantially all of its assets and property to a third party or if there is a change of control of the Borrower or the Borrower amalgamates with a third party and the Borrower is not the surviving entity; (h) Lender in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance by Borrower under this Equipment Note is or is about to be impaired or the Equipment is or is about to be placed in jeopardy; or (i) any Guarantor of Borrower's obligations hereunder disputes its obligations under its guarantee or seeks to determine its obligations hereunder or to terminate its guarantee of Borrower's future obligations or becomes subject to any of the events in clauses (b), (c), (d), (f), or (h) of this Section.

11. Remedies. (a) Upon the occurrence of a Default, Lender may, in its discretion, exercise any one or more of the following remedies with respect to any or all Equipment Notes or Equipment: (1) accelerate the maturity of any Equipment Note and declare the Prepayment Amount thereof to be immediately due and payable together with any other unpaid principal, accrued interest or other amounts due and owing thereunder; (2) cause Borrower to promptly discontinue use of or disable any Equipment, and, at Borrower's expense, have the Equipment assembled, prepared and adequately protected for shipment (together with all related manuals, documents and records, and any other Collateral), and either surrendered to Lender in place or shipped (freight and insurance pre-paid) to such location as Lender may designate within Canada, in the condition required under Section 4 hereof, qualified for the manufacturer's (or its authorized servicing representative's) then available service contract or warranty, and able to be put into immediate service and to perform at manufacturer's rated levels (if any); (3) remedy such Default or proceed by court action, either at law or in equity, to enforce performance of the applicable provisions of any Equipment Note; (4) with or without court order, enter upon the premises where Equipment is located and repossess and remove the same, all without liability for damage to such premises by reason such entry or repossession, except for Lender's gross negligence or willful misconduct; (5) dispose of any Equipment in a public or private transaction, or hold, use, operate or keep idle the Equipment, free and clear of any rights or interests of Borrower therein; (6) recover direct, incidental, consequential and other damages for the breach of any Equipment Note, including the payment of all unpaid principal, accrued interest and other amounts payable thereunder, and all costs and expenses incurred by Lender in exercising its remedies or enforcing its rights thereunder (including all Legal Fees); (7) without notice to Borrower, apply or set-off against any Obligations all security deposits, advance payments, proceeds of letters of credit, certificates of deposit (whether or not matured), securities or other additional collateral held by Lender or otherwise credited by or due from Lender to Borrower; or (8) pursue all other remedies provided under the PPSA or other applicable law. Borrower shall pay interest equal to the lesser of (a) 24% per annum, or (b) the highest rate permitted by applicable law ("Default Rate") on (i) any amount other than Payments owing under any Equipment Note and not paid when due, (ii) any Payment not paid within 30 days of its due date, and (iii) any amount required to be paid upon acceleration of any Equipment Note under this Section 11. Any Payments received by Lender after a Default, including proceeds of any disposition of Equipment, shall be applied in the following order: (A) to all of Lender's costs (including Legal Fees), charges and expenses incurred in taking, removing, holding, repairing and selling or leasing the Equipment or other Collateral or enforcing the provisions hereof; (B) to the satisfaction of all outstanding Obligations; and (C) the balance, if any, shall be disbursed to Borrower unless otherwise required by law. Lender shall account to Borrower for any surplus realized upon such sale or other disposition, and Borrower shall remain liable for any deficiency with respect to the Obligations. (b) No remedy referred to in this Section 11 shall be exclusive, each shall be cumulative (but not duplicative of recovery of any Obligation) and in addition to any other remedy referred to above or otherwise available to Lender at law or in equity, and all such remedies shall survive the acceleration of any Equipment Note. Lender's exercise or partial exercise of, or failure to exercise, any remedy shall not restrict Lender from further exercise of that remedy or any other available remedy. No extension of time for payment or performance of any Obligation shall operate to release, discharge, modify, change or affect the original liability of Borrower for any Obligations, either in whole or in part. Lender may proceed against any Collateral or Guarantor or may proceed contemporaneously or in the first instance against Borrower, in such order and at such times following an Event of Default as Lender determines in its sole discretion. In any action to repossess any Equipment or other Collateral, Borrower waives any bonds and any surety or security required by any

applicable laws as an incident to such repossession. Notices of Lender's intention to accelerate, acceleration, nonpayment, presentment, protest, dishonor, or any other notice whatsoever (other than notices of Default specifically required of Lender pursuant to Section 10 above) are waived by Borrower and any Guarantor. Any notice given by Lender of any disposition of Collateral or other intended action of Lender which is given in accordance with this Agreement at least 10 business days prior to such action shall constitute fair and reasonable notice of such action.

12. Assignment. This Equipment Note and all the rights, remedies and benefits of Lender hereunder may be assigned by Lender without notice to or the consent of Borrower and/or the Lender may grant to a third party a security interest in the Equipment Note and Equipment and Borrower hereby accepts such assignments or granting of security interest and waives signification of the act of assignment and the delivery of a copy of any assignment document. Upon such assignment or security interest: (A) the assignee (the "Assignee") shall be entitled to enforce the rights and remedies and to receive all benefits which would otherwise accrue to the original Lender under this Equipment Note; (B) the Assignee shall be deemed to be Lender for the purpose of all such rights, remedies and benefits, (C) the Assignee shall have no obligations to Borrower to perform any of the obligations of the original Lender hereunder or otherwise in respect of the Equipment, all of which are retained by the original Lender, and (D) Borrower's rights hereunder as against the original Lender shall be unaffected except as herein specifically provided. Borrower agrees not to assert against the Assignee any claim by way of abatement, defense, set-off, compensation, counterclaim or the like which Borrower may have against the original Lender. Upon notice of any assignment Borrower shall unconditionally pay to such Assignee all Obligations and other amounts due hereunder and shall not assert any defense against such Assignee in any action for Obligations or other amounts due and payable hereunder, except the defense of payment to the Assignee. If requested by the Lender, the Borrower shall deliver to the Assignee a confirmation as to certain matters which the Lender may request, which confirmation shall include but not be limited to: (A) the remaining term of the Equipment Note and payment due thereunder, (b) the nature and location of the Equipment, (c) the status of the Equipment Note and that no Default has occurred there under.

13. Financial and Other Data. (a) During any Equipment Note Term, Borrower shall (i) maintain books and records in accordance with generally accepted accounting principles ("**GAAP**") and prudent business practice; (ii) promptly provide Lender, within **120** days after the close of each fiscal year, and, upon Lender's request, within **45** days of the end of each quarter of Borrower's and any Guarantor's fiscal year, a copy of financial statements for Borrower and each Guarantor (as applicable) requested by Lender, in each case prepared in accordance with GAAP and (in the case of annual statements) audited by independent certified public accountants and (in the case of quarterly statements) certified by the chief financial officer of Borrower or Guarantor, as applicable; provided, however, that for so long as Borrower or any such Guarantor is legally and timely filing annual and quarterly financial reports on Sedar which are readily available to the public, the filing of such reports shall satisfy the foregoing financial statement reporting requirements for such entity; and (iii) furnish Lender all other financial information and reports and such other information as Lender may reasonably request concerning Borrower, any Guarantor and their respective affairs, or the Equipment or its condition, location, use or operation. (b) Borrower represents and warrants that all information and financial statements at any time furnished by or on behalf of Borrower or any Guarantor are accurate and reasonably reflect as of their respective dates, results of operations and the financial condition of Borrower, such Guarantor or other entity they purport to cover. Credit and other information regarding Borrower, any Guarantor or their Affiliates, any Equipment Note or Equipment may be disclosed by Lender to its Affiliates, agents and potential Assignees, and shall not be deemed to be proprietary or confidential under any agreement that may purport to limit or prohibit such disclosure.

14. Definitions. As used herein, the following terms shall have the meanings assigned or referred to them below:

"Affiliate" means any entity controlling, controlled by or under common control with the referent entity; "control" includes (i) the ownership of 25% or more of the voting stock or other ownership interest of any entity and (ii) the status of a general partner of a partnership or managing member of a limited liability company.

"Equipment" means the items, units and groups of personal property, licensed materials and fixtures described in each Equipment Note together with all replacements, parts, additions, accessories and substitutions therefore; and "item of Equipment" means each functionally integrated and separately marketable group or unit of Equipment.

"Guarantor" means any guarantor, surety, endorser, general partner or co-Borrower of Borrower, or other party liable in any capacity, or providing additional collateral security for, the payment or performance of any obligations of Borrower.

"Obligations" means and includes all obligations of Borrower owing to Lender under this Agreement, any Equipment Note or any Related Agreement, or of any Guarantor owing to Lender under any guaranty, together with all other obligations, indebtedness and liabilities of Borrower to Lender under any other financings, leases, loans, notes, progress payment agreements, guaranties or other agreements, of every kind and description, now existing or hereafter arising, direct or indirect, joint or several, absolute or contingent, whether for payment or performance, regardless of how the same may arise or by what instrument, agreement or book account they may be evidenced, including without limitation, any such obligations, indebtedness and liabilities of Borrower to others which may be obtained by Lender through purchase, negotiation, discount, transfer, assignment or otherwise.

"PPSA" means Personal Property Security Act in effect in the jurisdiction where the equipment is located.

"Prepayment Amount" means, collectively, the entire unpaid principal balance of any Equipment Note as of any particular date, together with (a) all accrued interest and other charges then owing under such Equipment Note, and (b) the prepayment charge provided in the applicable Equipment Note, if any.

"Related Agreement" means and includes any guarantee and any approval letter or progress payment, assignment, security or other agreement or addendum related to this Agreement, any Equipment Note, any Schedule or any Equipment to which Borrower or any Guarantor is a party.

15. Miscellaneous.

- (a) Credit Investigation: Subject to applicable legislation, Borrower hereby consents to Lender conducting a credit investigation of Borrower and to Lender making inquiries with financial institutions or other persons in a business relationship with Borrower in connection therewith; Borrower hereby authorizes and directs such persons to answer Lender's inquiries
- (b) Fees: Lender shall be entitled to charge Borrower such fees and other charges as it may establish from time to time for the administration of any ancillary matters to this Equipment Note, including the reimbursement of any fees payable by Lender for each security registration required in connection with this Equipment Note and such fees for invoices as Lender may from time to time establish and any costs (including internal administration costs) incurred by the Lender for insufficient funds).
- (c) Information: Borrower agrees that Lender may provide copies of this Equipment Note, any Schedule and/or information concerning Borrower and its obligations hereunder to any person.
- (d) Entire Agreement: This Equipment Note (including all details set forth above in any Schedule, addendum or amendment to this Equipment Note which is in writing, references this Equipment Note and is signed by Borrower and Lender at any time) constitutes the entire agreement between Lender and Borrower with respect to its subject matter.
- (e) Applicable Law: This Equipment Note shall be governed by the laws of the Province of Alberta and the Federal Laws of Canada

applicable therein.

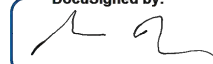
- (f) **Enurement:** Subject to the terms hereof, this Equipment Note shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, permitted assigns and legal representatives.
- (g) **Interpretation:** Whenever the context of this Equipment Note so requires, the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders. Time is of the essence of this Equipment Note and each of its provisions. Headings are for convenience of reference only and do not affect interpretation. The word "including" means "including without limitation".
- (h) **Notices:** Any notice required or permitted to be given hereunder must be in writing and will conclusively be deemed to have been received by its recipient on the business day it is delivered or sent by facsimile transmission to a party at the address indicated on the first page hereof (or at such other address as such party specifies to the other party in writing) or, if sent by registered mail, provided there is no interruption in postal services, on the fifth business day after the day of mailing, addressed to such party at such address.
- (i) **Severability:** Any provision of this Equipment Note prohibited by or unlawful or unenforceable under any applicable law shall, at the sole option of Lender, be ineffective without invalidating the remaining provisions of this Equipment Note; provided, however, that to the extent that the provisions of any such applicable law can be waived, they are hereby waived by Borrower.
- (j) **Further Assurances:** Borrower agrees to do all things and execute or obtain all documents as may be required by Lender in order to give effect to or better evidence this Equipment Note including the execution of financing statements or other documents to effect security registrations to protect Lender's interest, any acknowledgments required by an Assignee and any waivers or subordinations from Borrower's landlord or creditors.
- (k) **Language:** The parties hereby acknowledge that they have required this contract, and all other agreements and notices required or permitted to be entered into or given pursuant hereto, to be drawn up in the English language only. Les parties reconnaissent avoir demandé que le présent contrat ainsni que toute autre entente ou avis requis ou permis à être conclu ou donné en vertu des dispositions du présent contrat, soient rédigés en langue anglaise seulement.
- (l) **Survival.** Notwithstanding any other sections hereof, all obligations of Borrower under sections 2, 4, 5, 7, 8, 9(a), 9(b), 10, 11, 12 and 15(a). hereof and the rights and remedies of Lender hereunder shall survive the termination of this Equipment Note and the receipt of all Payments and payment in full of all of the Obligations and other amounts payable by Borrower hereunder.
- (m) **Joint and Several Liability.** If more than one person executes this Equipment Note, their obligations hereunder shall be joint and several and, in the Province of Quebec, solidary without benefit of division or discussion.
- (n) **Receipt of Copy Etc.** Borrower acknowledges receipt of a true copy of this Equipment Note and any Schedule and waives, to the extent permitted by applicable law, all rights to receive copies of financing statements, financing change statements, verification statements or copies of other notices or filings made by Lender at any time in connection with this Equipment Note, any other Equipment Note or any amendment thereof.
- (o) **Personal Information.** Borrower hereby authorize Lender and any of its representatives or partners to collect, use and disclose Borrower's personal information for the purposes of investigating and providing financial services. Borrower has been informed by Lender or its partners or representatives, that Borrower's personal information is collected, used and disclosed for the following purposes: (A) to collect credit and related financial information from Borrower, from credit agencies, and from any parties listed herein, and (B) to use the information collected to determine Borrower's financial situation, to provide financial services Borrower has requested and to offer additional products and services of Lender that may be of benefit to Borrower, and (C) to share the information with assignees, bankers or funding partners of Lender, and (D) to share the information collected and any information on Borrower's commercial dealings with Lender with credit agencies or other financial institutions.
- (p) **Counterparts.** This agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.
- (q) **Electronic Execution.** Any party may deliver an executed signature page to this Agreement by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the Agreement by such party.

In Witness Whereof, Lender and Borrower have executed this Agreement as of the date first above written.

ESSEX LEASE FINANCIAL CORPORATION

2658658 ONTARIO INC.

By: 
Name/Title: D54962A42B414AB...

By: 
Name/Title: 505421515AE34490
Glenn Page, Director

0229

FULL LIABILITY GUARANTEE

For value received the undersigned ("Guarantor") hereby irrevocably and unconditionally guarantees, as primary obligor and not merely as surety, without offset or deduction, forthwith after demand made therefor as hereinafter provided, payment to and indemnifies **ESSEX LEASE FINANCIAL CORPORATION** ("ELFC") for, all indebtedness and liability (present and future, direct or indirect, absolute or contingent, matured or not) of **2658658 Ontario Inc.** ("Customer") to ELFC whether arising from agreement or dealings between ELFC and the Customer or from agreement or dealings between ELFC and any third person by which the Customer now is or hereafter may become indebted or liable to ELFC or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety or guarantor; and the Guarantor further agrees that:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. ELFC may increase, reduce, discontinue or otherwise vary the Customer's credit, grant time, renewals, extensions, releases and discharges to, take and give up securities (which may include other guarantees), and otherwise deal with the Customer and other parties and securities as ELFC may see fit, and may apply all monies received from the Customer or others or from the sale or other disposal of security upon such part of the Customer's liability as ELFC may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee. The Guarantor's obligation to pay under this guarantee shall not be limited or reduced as a result of the termination, invalidity or unenforceability of any right of ELFC against the Customer or any other party (including other guarantors) for any cause whatsoever.
3. This guarantee shall be a continuing security for payment by the Customer to ELFC of all indebtedness and liability aforesaid; provided however that the Guarantor may determine his further liability under this guarantee by 30 days written notice given to ELFC but, if such notice be given, this guarantee shall apply and extend to any indebtedness or liability of the Customer to ELFC incurred prior to the expiration of 30 days from the date of receipt of such notice by ELFC.
4. ELFC shall not be bound to exhaust its recourse against the Customer or other parties or the securities that it may hold before being entitled to payment from the Guarantor under this guarantee.
5. Any loss of or in respect of securities received by ELFC from the Customer or others, whether occasioned through the fault of ELFC or otherwise, shall not discharge or limit or lessen the liability of the Guarantor under this Guarantee.
6. Any change or changes in the name of the Customer, or, if the Customer is a partnership, any change or changes in the membership of the Customer's firm by death or by the retirement of one or more of the partners or by the introduction of one or more new partners or otherwise, shall not affect or in any way limit or lessen the liability of the Guarantor under this guarantee and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Customer.
7. All monies, advances, renewals and credits borrowed or obtained from ELFC shall be deemed to form part of the indebtedness and liabilities hereby guaranteed, notwithstanding any incapacity, disability, limitation of status or lack of power of the Customer or the directors, partners or agents thereof, or that the Customer may not be a legal entity, or any defect in the borrowing or obtaining of such money, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and it shall be paid to ELFC after demand therefor by ELFC.
8. Any account settled or stated by or between ELFC and the Customer shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Customer to ELFC is in fact so due.
9. The Guarantor agrees not to assert any right of contribution against any other guarantor until the Customer's indebtedness and liabilities have been paid in full. If ELFC should receive from the Guarantor a payment in full or on account of the indebtedness or liability under this guarantee, all rights of subrogation arising therefrom shall be postponed and the Guarantor shall not be entitled to claim repayment against the Customer or the Customer's estate until ELFC's claims against the Customer have been paid in full; and in the case of liquidation, winding up or bankruptcy of the Customer (whether voluntary or compulsory) or in the event that the Customer shall make a bulk sale of any of the customer's assets within the bulk transfer provisions of any applicable legislation, or shall make any compromise with creditors or scheme of arrangement, ELFC shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable, up to the amount guaranteed, less any payments made by the guarantor, for any balance which may be owing to ELFC by the Customer. In the event of the valuation by ELFC of any of its securities and/or the retention of such securities by ELFC, such valuation and/or retention shall not, as between ELFC and the Guarantor, be considered as a purchase of such securities or as payment or satisfaction or reduction of the Customer's indebtedness or liabilities to ELFC, or any part thereof.
10. Any notice or demand which ELFC may wish to give may be served on the Guarantor either personally on him or his legal personal representative or in the case of a corporation, on any officer or director of the corporation, or by sending the same by registered mail in an envelope addressed to the last known address of the Guarantor to be served as it appears on ELFC's records and the notice so sent shall be deemed to be received on the second business day following that on which it is mailed.
11. As security for the performance of the Guarantor's covenants herein and the payment of the present and future debts and liabilities of the Customer to ELFC, the Guarantor hereby grants to ELFC a security interest in all debts and liabilities, present and future, of the Customer to the Guarantor, all of which are hereby assigned by the Guarantor to ELFC and postponed to the present and future debts and liabilities of the Customer to ELFC. Any monies or other proceeds received by the Guarantor in respect of such debts and liabilities shall be received in trust for and forthwith paid over to ELFC, in whole, without in any way limiting or lessening the liability of the Guarantor hereunder. Notwithstanding anything to the contrary herein, the assignment and postponement contained in this paragraph 11 are intended to be and are independent of the remainder of this guarantee and may, at the option of ELFC, be severed therefrom. A notice of termination given by the Guarantor pursuant to paragraph 3 shall not terminate the provisions contained in this paragraph 11, which shall continue in full force and effect until released in writing by ELFC. The Guarantor hereby acknowledges receiving a copy of this guarantee and waives all rights to receive from ELFC a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
12. The Guarantor shall be currently liable under this guarantee at any time for the full amount of the debts and liabilities of the Customer to ELFC then outstanding, subject to the limit of liability of the Guarantor set forth above, provided that the Guarantor shall not be in default under or in breach of this guarantee unless and until ELFC has made demand upon the Guarantor hereunder and the Guarantor has failed to pay the amount demanded or otherwise failed to comply with such demand forthwith following receipt (or deemed receipt) of such demand. In the case of default ELFC may maintain an action upon this guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. ELFC's rights are cumulative and shall not be exhausted by the exercise of any number of successive actions until and unless all indebtedness and liability hereby guaranteed has been paid and each of the Guarantor's obligations under the guarantee has been fully performed.
13. The Guarantor shall pay to ELFC on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyer's fees as between solicitor and his own client on a full indemnity basis) incurred by ELFC for the preparation, execution and perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest thereon, both before and after demand, default and judgment, calculated from the date of payment by ELFC of each such cost, charge and expense until payment by the Guarantor hereunder, at a rate per annum equal to 3% above the rate published by ELFC from time to time as ELFC's prime lending rate. A statement signed by any officer of ELFC confirming ELFC's prime lending rate at any time or times shall be conclusive evidence thereof for all purposes under this guarantee.
14. This instrument is in addition and without prejudice to any other securities of any kind including any other guarantees, whether or not in the same form as this instrument, now or hereafter held by ELFC. Without limiting the generality of the foregoing, all limits and evidence of liability pursuant to any guarantee now or hereafter held by ELFC shall be cumulative.
15. There are no representations, warranties, collateral agreements or conditions with respect to this guarantee or affecting the Guarantor's liability hereunder other than as contained herein. Without restricting the generality of the foregoing, this guarantee shall be operative and binding upon every signatory hereto notwithstanding the non-execution hereof by any other proposed or intended signatory or signatories.
16. This instrument shall be construed in accordance with the laws of **Alberta** and the Guarantor agrees that any legal suit, action or proceedings arising out of or relating to this instrument may be instituted in the course of such province or territory and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit ELFC's right to bring proceedings against the Guarantor elsewhere.
17. This instrument shall extend to and enure to the benefit of the successors and assigns of ELFC and shall be binding upon the Guarantor and the heirs, executors, administrators, and successors of the guarantor.
18. This instrument may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.
19. Any party may deliver an executed signature page to this instrument by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the agreement by such party.

GIVEN under seal at _____ this Jul 21, 2021 _____.

Guarantor:

2496750 Ontario Inc

DocuSigned by:

Donald Herbert Miles Hill

Name/Title:

Donald Herbert Miles Hill, Director

0230
CERTIFIED COPY OF RESOLUTION OF THE DIRECTORS OF

2496750 Ontario Inc. (the "Corporation")

TO: **ESSEX LEASE FINANCIAL CORPORATION**, its principals, successors and assigns ("ELFC")

RE: Guarantee dated Jul 21, 2021 (the "Guarantee", a copy of which is attached hereto).

The undersigned, in my capacity as a duly appointed officer of the Corporation, hereby certifies to ELFC, that the following is a true and complete copy of a resolution validly passed by the duly appointed and constituted board of directors of the Corporation pursuant to and in accordance with the provisions of the applicable legislation governing the corporation and the corporation's constating documents, by-laws and shareholders agreement, if any, that such resolution is on the date hereof in full force and effect, unamended and that the execution and delivery of the Guarantee does not contravene any of the provisions of the applicable legislation governing the corporation with respect to the giving of financial assistance;

"BE IT RESOLVED that;

1. The corporation is hereby authorized to guarantee the debts, liabilities and obligations of **2658658 Ontario Inc.** to ELFC and to enter into and perform its obligations under a guarantee (the "Guarantee") to and in favour of ELFC, a copy of which is attached hereto, in such form as any director or officer of the Corporation may approve;
2. Any director or officer of the Corporation is hereby authorized and directed to execute (whether under corporate seal or otherwise) and deliver the Guarantee as such director or officer may approve for and in the name of and on behalf of the Corporation, the execution of the Guarantee to be conclusive evidence of such director's or officer's approval of the form and terms of the Guarantee; and
3. Upon the execution of the Guarantee, any officer or director of the Corporation is hereby authorized and directed to do all other things and to execute and deliver all other agreements, certificates, documents and instruments (whether under corporate seal or otherwise) as may be necessary or desirable in the opinion of such officer or director to effectively carry out the purpose and intent of the Guarantee".

DATED Jul 21, 2021 at Wilsonville, ON.

DocuSigned by:

Donald Herbert Miles Hill

Name/Title: **Donald Herbert Miles Hill, Director**

0231

FULL LIABILITY GUARANTEE

For value received the undersigned ("Guarantor") hereby irrevocably and unconditionally guarantees, as primary obligor and not merely as surety, without offset or deduction, forthwith after demand made therefor as hereinafter provided, payment to and indemnifies **ESSEX LEASE FINANCIAL CORPORATION** ("ELFC") for, all indebtedness and liability (present and future, direct or indirect, absolute or contingent, matured or not) of **2658658 Ontario Inc.** ("Customer") to ELFC whether arising from agreement or dealings between ELFC and the Customer or from agreement or dealings between ELFC and any third person by which the Customer now is or hereafter may become indebted or liable to ELFC or however otherwise arising and whether the Customer be bound alone or with another or others and whether as principal or surety or guarantor; and the Guarantor further agrees that:

1. If more than one Guarantor executes this instrument the provisions hereof shall be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor shall include the undersigned and each and every one of them severally and this guarantee and all covenants and agreements herein contained shall be deemed to be joint and several.
2. ELFC may increase, reduce, discontinue or otherwise vary the Customer's credit, grant time, renewals, extensions, releases and discharges to, take and give up securities (which may include other guarantees), and otherwise deal with the Customer and other parties and securities as ELFC may see fit, and may apply all monies received from the Customer or others or from the sale or other disposal of security upon such part of the Customer's liability as ELFC may think best, without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee. The Guarantor's obligation to pay under this guarantee shall not be limited or reduced as a result of the termination, invalidity or unenforceability of any right of ELFC against the Customer or any other party (including other guarantors) for any cause whatsoever.
3. This guarantee shall be a continuing security for payment by the Customer to ELFC of all indebtedness and liability aforesaid; provided however that the Guarantor may determine his further liability under this guarantee by 30 days written notice given to ELFC but, if such notice be given, this guarantee shall apply and extend to any indebtedness or liability of the Customer to ELFC incurred prior to the expiration of 30 days from the date of receipt of such notice by ELFC.
4. ELFC shall not be bound to exhaust its recourse against the Customer or other parties or the securities that it may hold before being entitled to payment from the Guarantor under this guarantee.
5. Any loss of or in respect of securities received by ELFC from the Customer or others, whether occasioned through the fault of ELFC or otherwise, shall not discharge or limit or lessen the liability of the Guarantor under this Guarantee.
6. Any change or changes in the name of the Customer, or, if the Customer is a partnership, any change or changes in the membership of the Customer's firm by death or by the retirement of one or more of the partners or by the introduction of one or more new partners or otherwise, shall not affect or in any way limit or lessen the liability of the Guarantor under this guarantee and this guarantee shall extend to the person, firm or corporation acquiring or from time to time carrying on the business of the Customer.
7. All monies, advances, renewals and credits borrowed or obtained from ELFC shall be deemed to form part of the indebtedness and liabilities hereby guaranteed, notwithstanding any incapacity, disability, limitation of status or lack of power of the Customer or the directors, partners or agents thereof, or that the Customer may not be a legal entity, or any defect in the borrowing or obtaining of such money, advances, renewals or credits; and any amount which may not be recoverable from the Guarantor on the footing of a guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and it shall be paid to ELFC after demand therefor by ELFC.
8. Any account settled or stated by or between ELFC and the Customer shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Customer to ELFC is in fact so due.
9. The Guarantor agrees not to assert any right of contribution against any other guarantor until the Customer's indebtedness and liabilities have been paid in full. If ELFC should receive from the Guarantor a payment in full or on account of the indebtedness or liability under this guarantee, all rights of subrogation arising therefrom shall be postponed and the Guarantor shall not be entitled to claim repayment against the Customer or the Customer's estate until ELFC's claims against the Customer have been paid in full; and in the case of liquidation, winding up or bankruptcy of the Customer (whether voluntary or compulsory) or in the event that the Customer shall make a bulk sale of any of the customer's assets within the bulk transfer provisions of any applicable legislation, or shall make any compromise with creditors or scheme of arrangement, ELFC shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable, up to the amount guaranteed, less any payments made by the guarantor, for any balance which may be owing to ELFC by the Customer. In the event of the valuation by ELFC of any of its securities and/or the retention of such securities by ELFC, such valuation and/or retention shall not, as between ELFC and the Guarantor, be considered as a purchase of such securities or as payment or satisfaction or reduction of the Customer's indebtedness or liabilities to ELFC, or any part thereof.
10. Any notice or demand which ELFC may wish to give may be served on the Guarantor either personally on him or his legal personal representative or in the case of a corporation, on any officer or director of the corporation, or by sending the same by registered mail in an envelope addressed to the last known address of the Guarantor to be served as it appears on ELFC's records and the notice so sent shall be deemed to be received on the second business day following that on which it is mailed.
11. As security for the performance of the Guarantor's covenants herein and the payment of the present and future debts and liabilities of the Customer to ELFC, the Guarantor hereby grants to ELFC a security interest in all debts and liabilities, present and future, of the Customer to the Guarantor, all of which are hereby assigned by the Guarantor to ELFC and postponed to the present and future debts and liabilities of the Customer to ELFC. Any monies or other proceeds received by the Guarantor in respect of such debts and liabilities shall be received in trust for and forthwith paid over to ELFC, in whole, without in any way limiting or lessening the liability of the Guarantor hereunder. Notwithstanding anything to the contrary herein, the assignment and postponement contained in this paragraph 11 are intended to be and are independent of the remainder of this guarantee and may, at the option of ELFC, be severed therefrom. A notice of termination given by the Guarantor pursuant to paragraph 3 shall not terminate the provisions contained in this paragraph 11, which shall continue in full force and effect until released in writing by ELFC. The Guarantor hereby acknowledges receiving a copy of this guarantee and waives all rights to receive from ELFC a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
12. The Guarantor shall be currently liable under this guarantee at any time for the full amount of the debts and liabilities of the Customer to ELFC then outstanding, subject to the limit of liability of the Guarantor set forth above, provided that the Guarantor shall not be in default under or in breach of this guarantee unless and until ELFC has made demand upon the Guarantor hereunder and the Guarantor has failed to pay the amount demanded or otherwise failed to comply with such demand forthwith following receipt (or deemed receipt) of such demand. In the case of default ELFC may maintain an action upon this guarantee whether or not the Customer is joined therein or separate action is brought against the Customer or judgment obtained against him. ELFC's rights are cumulative and shall not be exhausted by the exercise of any number of successive actions until and unless all indebtedness and liability hereby guaranteed has been paid and each of the Guarantor's obligations under the guarantee has been fully performed.
13. The Guarantor shall pay to ELFC on demand (in addition to all debts and liabilities of the Customer hereby guaranteed) all costs, charges and expenses (including, without limitation, lawyer's fees as between solicitor and his own client on a full indemnity basis) incurred by ELFC for the preparation, execution and perfection and enforcement of this guarantee and of any securities collateral thereto, together with interest thereon, both before and after demand, default and judgment, calculated from the date of payment by ELFC of each such cost, charge and expense until payment by the Guarantor hereunder, at a rate per annum equal to 3% above the rate published by ELFC from time to time as ELFC's prime lending rate. A statement signed by any officer of ELFC confirming ELFC's prime lending rate at any time or times shall be conclusive evidence thereof for all purposes under this guarantee.
14. This instrument is in addition and without prejudice to any other securities of any kind including any other guarantees, whether or not in the same form as this instrument, now or hereafter held by ELFC. Without limiting the generality of the foregoing, all limits and evidence of liability pursuant to any guarantee now or hereafter held by ELFC shall be cumulative.
15. There are no representations, warranties, collateral agreements or conditions with respect to this guarantee or affecting the Guarantor's liability hereunder other than as contained herein. Without restricting the generality of the foregoing, this guarantee shall be operative and binding upon every signatory hereto notwithstanding the non – execution hereof by any other proposed or intended signatory or signatories.
16. This instrument shall be construed in accordance with the laws of **Alberta** and the Guarantor agrees that any legal suit, action or proceedings arising out of or relating to this instrument may be instituted in the course of such province or territory and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit ELFC's right to bring proceedings against the Guarantor elsewhere.
17. This instrument shall extend to and enure to the benefit of the successors and assigns of ELFC and shall be binding upon the Guarantor and the heirs, executors, administrators, and successors of the guarantor.
18. This instrument may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.
19. Any party may deliver an executed signature page to this instrument by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the agreement by such party.

GIVEN under seal at _____ this Jul 21, 2021 _____.

Guarantor: **Gen 7 Fuel Management Services LP**

DocuSigned by:

Brian Page

Name/Title: **Brian Page, Director**

0232

CERTIFIED COPY OF RESOLUTION OF THE DIRECTORS OF

Gen 7 Fuel Management Services LP (the "Corporation")

TO: **ESSEX LEASE FINANCIAL CORPORATION**, its principals, successors and assigns ("ELFC")RE: Guarantee dated Jul 21, 2021 (the "Guarantee", a copy of which is attached hereto).

The undersigned, in my capacity as a duly appointed officer of the Corporation, hereby certifies to ELFC, that the following is a true and complete copy of a resolution validly passed by the duly appointed and constituted board of directors of the Corporation pursuant to and in accordance with the provisions of the applicable legislation governing the corporation and the corporation's constating documents, by-laws and shareholders agreement, if any, that such resolution is on the date hereof in full force and effect, unamended and that the execution and delivery of the Guarantee does not contravene any of the provisions of the applicable legislation governing the corporation with respect to the giving of financial assistance;

"BE IT RESOLVED that;

1. The corporation is hereby authorized to guarantee the debts, liabilities and obligations of **2658658 Ontario Inc.** to ELFC and to enter into and perform its obligations under a guarantee (the "Guarantee") to and in favour of ELFC, a copy of which is attached hereto, in such form as any director or officer of the Corporation may approve;
2. Any director or officer of the Corporation is hereby authorized and directed to execute (whether under corporate seal or otherwise) and deliver the Guarantee as such director or officer may approve for and in the name of and on behalf of the Corporation, the execution of the Guarantee to be conclusive evidence of such director's or officer's approval of the form and terms of the Guarantee; and
3. Upon the execution of the Guarantee, any officer or director of the Corporation is hereby authorized and directed to do all other things and to execute and deliver all other agreements, certificates, documents and instruments (whether under corporate seal or otherwise) as may be necessary or desirable in the opinion of such officer or director to effectively carry out the purpose and intent of the Guarantee".

DATED Jul 21, 2021 at Burlington, ON.

DocuSigned by:

A handwritten signature in blue ink that reads "Brian Page".

Name/Title:

Brian Page, Director



SECURITY AGREEMENT

For use in PPSA Jurisdictions

For valuable consideration, the undersigned (the "Customer") agrees with Essex Lease Financial Corporation ("Essex") as follows:

1. **GRANT OF SECURITY.** The Customer mortgages, charges, assigns and grants to Essex, and Essex takes, a Security Interest in the property described in the following paragraph or paragraphs of this section (as applicable in accordance with the NOTE appearing at the end of this section), and in all property described in any schedules, documents or listings that the Customer may from time to time sign and provide to Essex in connection with this Security Agreement ("Agreement"), and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:

- | | |
|-------------------------------------|---|
| ☐ | (a) Specific Personal Property: the Personal Property described in Schedule A. |
| ☒ | (b) All Personal Property: all of the Customer's present and after-acquired undertaking and Personal Property (including any property that may be described in Schedule A). |
| ☐ | (c) All Real Property: all of the Customer's present and after-acquired real property, (including any property that may be described in Schedule A), together with all buildings placed, installed or erected on any such property, and all fixtures. |

NOTE: Check appropriate box or boxes to indicate which of paragraphs (a), (b) or (c) are to apply. If no box is checked off, paragraph (b) will apply.

2. **GOVERNING LAW.** This Agreement is governed by the laws of Ontario.

ADDITIONAL TERMS AND CONDITIONS: THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES FORM PART OF THIS AGREEMENT.

The Customer has signed this Agreement on _____.

2658658 Ontario Inc.

Name (Record Customer name in full)

DocuSigned by:

 506426640A13460
 Glenn Page, Director

2057 Parklane Cres, Burlington, Ontario, L7M 3V6

Customer's address, City/Town, Province and Postal Code

- Note:
- (1) If the Customer is an individual, complete the information box on page 2.
 - (2) If the Customer is a corporation, the office (such as "President" or "Secretary") of the person signing should be noted below that person's signature.

ADDITIONAL TERMS AND CONDITIONS

3. **PLACES OF BUSINESS.** The Customer represents and warrants that the locations of all existing Places of Business are specified in Schedule B and agrees to promptly notify Essex in writing of any additional Places of Business as soon as they are established. The Customer agrees that, subject to section 5, the Collateral will at all times be kept at the Places of Business and will not be removed without Essex's prior written consent.

4. **COLLATERAL FREE OF CHARGES.** The Customer represents and warrants that the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of Essex or incurred with Essex's prior written consent. Essex may, but will have no obligation to, pay any amount or take any action required to remove or redeem any unauthorized Charge, and the Customer will immediately reimburse Essex for any amount so paid and will indemnify Essex in respect of any action so taken.

5. **USE OF COLLATERAL.** The Customer will not, without Essex's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Customer's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables), whether or not arising in the ordinary course of the Customer's business, will be received by the Customer as trustee for Essex and will be immediately paid to Essex.

6. **INSURANCE.** The Customer will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as Essex may reasonably require). At Essex's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property, will contain a mortgage clause in favour of Essex, and in any event the Customer assigns all proceeds of insurance on the Collateral to Essex. The Customer will, from time to time at Essex's request, deliver such policies (or satisfactory evidence of such policies) to Essex. If the Customer does not obtain or maintain such insurance, Essex may obtain insurance, at the Customer's expense, but will have no obligation to do so. The Customer will immediately reimburse Essex for any amount so paid. The Customer will promptly give Essex written notice of any loss or damage to all or any part of the Collateral.

7. **INFORMATION AND INSPECTION.** The Customer will from time to time immediately furnish to Essex in writing all information requested by Essex relating to the Collateral, the Places of Business, and the Customer's financial or business affairs. The Customer will promptly advise Essex of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Customer ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. Essex may from time to time inspect any Books and Records and any Collateral, wherever located, and for that purpose Essex may, without charge, have access to each Place of Business and to all mechanical or electronic, equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Customer authorizes any Person holding any Books and Records to make them available to Essex, in a readable form, upon request by Essex.

8. **RECEIVABLES.** If the Collateral includes Receivables, Essex may advise any Person liable to make any payment to the Customer of the existence of this Agreement, and may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, Essex may collect and otherwise deal with the Receivables in such manner and upon such terms as Essex considers appropriate.

9. **RECEIPTS PRIOR TO DEFAULT.** Until Default, all amounts received by Essex as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as Essex may consider appropriate or, at Essex's option, may be held unappropriated in a collateral account or released to the Customer.

10. DEFAULT.

a. **Events of Default.** The occurrence of any of the following events or conditions will be a Default:

- i) the Customer does not pay any of the Liabilities when due;
- ii) the Customer does not observe or perform any of the Customer's obligations under this Agreement or any other agreement or document existing at any time between the Customer and Essex;
- iii) any representation, warranty or statement made by or on behalf of the Customer to Essex is untrue in any material respect at the time when or as of which it was made;
- iv) the Customer ceases or threatens to cease to carry on in the normal course the Customer's business or any material part thereof;
- v) if the Customer is a corporation and there is, in Essex's reasonable opinion, a change in effective control of the Customer, or if the Customer is a partnership and there is a dissolution or change in the membership of the partnership;
- vi) the Customer becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- vii) a Receiver, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
- viii) the holder of a Charge takes possession of all or any part of the Customer's property, or a distress, execution or other similar process is levied against all or any part of such property; or
- ix) Essex, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

b. **Rights upon Default.** Upon Default, Essex and a Receiver, as applicable, will to the extent permitted by law have the following rights:

- i) **Appointment of Receiver.** Essex may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. Essex may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by Essex will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Customer's agent. Essex may from time to time fix the Receiver's remuneration and the Customer will pay Essex the amount of such remuneration. Essex will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.
- ii) **Dealings with the Collateral.** Essex or a Receiver may take possession of all or any part of the Collateral and retain it for as long as Essex or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Customer's business or refrain from doing so, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell or lease (or concur in selling or leasing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as Essex or the Receiver considers appropriate. Essex or the Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any Place of Business.
- iii) **Realization.** Essex or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Customer or other Persons, and otherwise deal with the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as Essex or the Receiver considers appropriate, and Essex or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Customer or otherwise.
- iv) **Application of Proceeds After Default.** All Proceeds of Collateral received by Essex or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing Essex's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by Essex or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on

- the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as Essex considers appropriate and thereafter will be accounted for as required by law.
- c. **Other Legal Rights.** Before and after Default, Essex will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.
- d. **Deficiency.** The Customer will remain liable to Essex for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.
11. **ESSEX NOT LIABLE.** Essex will not be liable to the Customer or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of Essex, a Receiver or any agent of Essex (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Chattel Paper, Investment Property, Securities or Instrument in possession of Essex, a Receiver or Essex's agent.
12. **CHARGES AND EXPENSES.** The Customer agrees to pay on demand all costs and expenses incurred (including among other things legal fees on a solicitor and client basis) and fees charged by Essex in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Charges created by this Agreement or by law, compliance with any demand by any Person under the PPSA to amend or discharge any registration relating to this Agreement, and by Essex or any Receiver in exercising any remedy under this Agreement (including among other things preserving, repairing, processing, preparing for disposition and disposing of the Collateral by sale, lease or otherwise) and in carrying on the Customer's business. All such amounts will bear interest from time to time at the highest interest rate then applicable to any of the Liabilities and the Customer will reimburse Essex upon demand for any amount so paid.
13. **FURTHER ASSURANCES.** The Customer will from time to time immediately upon request by Essex take such action (including among other things the signing and delivery of financing statements and financing change statements, documents or listings describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Customer's real property) as Essex may require in connection with the Collateral or as Essex may consider necessary to give effect to this Agreement. If permitted by law, the Customer waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement. The Customer irrevocably appoints a representative of Essex's branch specified on the first page of this Agreement as the Customer's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section. Nothing in this section affects the right of Essex as secured party, or any other Person on Essex's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as Essex or such other Person considers appropriate.
14. **DEALINGS BY ESSEX.** Essex may from time to time increase, reduce, discontinue or otherwise vary the Customer's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from giving, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Customer, customers of the Customer, guarantors and others, and with the Collateral and any Charges held by Essex, as Essex considers appropriate without affecting the Customer's obligations to Essex or Essex's rights under this Agreement.
15. **DEFINITIONS.** In this Agreement:
"Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA.
"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Customer (or Person on the Customer's behalf) has access.
"Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property.
"Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA.
"Default" has the meaning set out in subsection 10(1).
"Investment Property" has the meaning given to it in the PPSA;
"Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Customer to Essex, wherever and however incurred and any unpaid liability thereof.
"Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency.
"Person" means any natural person or artificial body (including among others any firm, corporation or government).
"Personal Property" means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, Investment Property and Securities, and includes all Accessions to such property.
"Place of Business" means a location where the Customer carries on business or where any of the collateral is located (including any location described in Schedule B).
"PPSA" means the legislation that applies in the province or territory noted in section 2 of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation) as follows: in the case of Ontario, the Personal Property Security Act, 1989; in the case of Alberta, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and the Yukon Territory, the Personal Property Security Act; and in the case of any other province or territory, such legislation as deals generally with Charges on personal property.
"Receivables" means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Customer.
"Receiver" means a receiver or a receiver and manager.
"Securities" has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term.
"Serial Number" means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good.
"Serial Number Good" means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.
16. **GENERAL.**
- a. **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Customer will hold such last day in trust for Essex and, upon the exercise by Essex of any of its rights under this Agreement following Default, will assign such last day as directed by Essex.
- b. **Attachment of Security Interest.** The Security Interests created by this Agreement are intended to attach (i) to existing Collateral when the Customer signs this Agreement, and (ii) to Collateral subsequently acquired by the Customer, immediately upon the Customer acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.
- c. **Purchase-Money Security Interest.** If Essex gives value for the purpose of enabling the Customer to acquire rights in or to any of the Collateral, the Customer will in fact apply such value to acquire those rights (and will provide Essex with such evidence in this regard as Essex may require), and the Customer grants to Essex and Essex takes a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of Essex's authorized representatives is admissible in evidence to establish the amount of any such value.
- d. **Description of Collateral in Schedule A.** The fact that box (b) or box (c) of section I has been checked without there being any property described in Schedule A does not affect the nature or validity of Essex's security in the Collateral.
- e. **Entire Agreement.** Essex has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require Essex to make, renew or extend the time for payment of any loan or other credit accommodation to the Customer or any other Person.
- f. **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by Essex. No Charge held by Essex will be exclusive of or dependent upon or merge in any other Charge, and Essex may exercise its rights under such Charges independently or in combination.
- g. **Joint and Several Liability.** If more than one Person signs this Agreement as the Customer, the obligations of such Persons will be joint and several.
- h. **Severability; Headings.** Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.
- i. **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa.
- j. **Copy of Agreement.** The Customer acknowledges receipt of a copy of this Agreement.
- k. **Waivers.** If this Agreement is governed by the laws of Saskatchewan and the Customer is a corporation, the Customer agrees that The Limitation of Civil Rights Act, The Land Contracts (Actions) Act and Part IV (excepting only section 46) of the Saskatchewan Farm Security Act do not apply insofar as they relate to actions as defined in those Acts, or insofar as they relate to or affect this Agreement, the rights of Essex under this Agreement, or any instrument, Charge, security agreement or other document of any nature that renews, extends or is collateral to this Agreement.
- l. **Notice.** Essex may send to the Customer, by prepaid regular mail addressed to the Customer at the Customer's address last known to Essex, copies of any document required by the PPSA to be delivered by Essex to the Customer. Any document mailed in this manner will be deemed to have been received by the Customer upon the earlier of actual receipt by the Customer and the expiry of 10 days after the mailing date. A certificate or affidavit of any of Essex's authorized representatives is admissible in evidence to establish the mailing date.
- m. **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon (i) Essex, its successors and assigns, and (ii) the Customer and the Customer's heirs, executors, administrators, successors and permitted assigns. The Customer will not assign this Agreement without the prior written consent of Essex. Essex may assign, at its sole discretion at any time, without the consent of the Customer, its right, title and interest in this Agreement to any individual, firm or corporation. The Customer hereby consents to the delivery by Essex to any prospective Assignee of such information concerning the Customer as may be in Essex's possession and requested by the Assignee.
- n. **Counterparts.** This instrument may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document.
- o. **Electronic Execution.** Any party may deliver an executed signature page to this instrument by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the agreement by such party.

FOR INDIVIDUALS ONLY, record the following information:			
First and second names in full; surname		Birth Date*	
		Sex (M/F)	

* For Alberta, Ontario, Saskatchewan and the Yukon, record: day/month/year. For British Columbia and Manitoba, record: year/month/day.

0235

Schedule A

Personal Property included in Collateral

(describe Personal Property by item or kind; if space is insufficient, use a separate sheet):

0236
Schedule B

Places of Business

(if space is insufficient, use a separate sheet):

2057 Parklane Cres
Burlington, Ontario, L7M 3V6

0237

OFFICER'S CERTIFICATE RESPECTING BORROWING

I, **Glenn Page**, hereby certify that;

1. I am **Director** of **2658658 Ontario Inc.** (the "Company"), a corporation duly incorporated under the laws of **Ontario** with its Registered/Head Office at **2057 Parklane Cres, Burlington, Ontario L7M 3V6**.
2. The following is a true and correct copy of a Resolution of the Board of Directors of the company dated Jul 21, 2021, recorded in the Minute Book of the proceedings of the said Board of Directors.
 "RESOLVED;
 (a) That the company is hereby authorized from time to time to borrow from Essex Lease Financial Corporation ("ELFC") such amount or amounts of money as are required by the company from time to time and to secure the amount or amounts borrowed from or owed to ELFC, any renewals or extensions of such borrowings and all other present and future indebtedness and liability of the company to ELFC by way of mortgages, hypothecations, charges, pledges, assignments, security interests, leases and/or transfers in favour of the bank of all or any real or personal, movable or immovable property, both present and future, of the company;
 (b) That the person(s) occupying the following named office(s) or position(s) is/are designated "Signing Officer(s)" of the Company: **Director**. Any One (1) of the named Signing Officers of the Company is/are hereby authorized to execute and deliver to ELFC such commitment letters, agreements, notes, mortgages, hypothecations, charges, pledges, assignments, security interests, leases, transfers and other documents and to do such other acts and things as may be necessary in his or her sole discretion to complete the transactions authorized by this Resolution;
 (c) That all acts and things done and documents executed by the Signing Officer(s) on behalf of the company as herein before authorized may be relied upon by ELFC and shall be valid and binding upon the Company whether or not the corporate seal of the Company has been affixed to any such document;
 (d) That the Company shall provide ELFC with a certified copy of this Resolution and a list of the names of the Signing Officers of the Company authorized by this Resolution to do any act or thing, together with specimens of their signatures, to be acted upon by each branch of ELFC with which any dealings are had by the Company until notice of the contrary or of any change therein has been given in writing to any Vice President or CEO of ELFC."
3. The foregoing Resolution has not been repealed, amended, altered or modified in any respect whatsoever and is now in full force and effect.
4. The duly elected or appointed Directors and Officers of the Company designated as "Signing Officers" and specimens of their signatures are as follows:

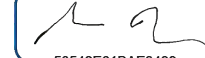
NAME

OFFICE HELD

SIGNATURE

Glenn Page**Director**

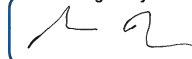
DocuSigned by:



30542E01BAE3499...

5. Neither the constaining and organizational documents of the company (including without limitation, its memorandum, articles, articles of incorporation, by-laws and any shareholder agreement or declaration in lieu thereof) nor any law applicable to the Company or to any of its property prohibit or in any way restrict the Company from borrowing and granting security in the manner referred to in the foregoing Resolution or limit the powers of the board of Directors of the Company to validly authorize such borrowing and security.
6. This instrument may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
7. Any party may deliver an executed signature page to this instrument by electronic transmission and such delivery will be as effective as delivery of a manually executed copy of the instrument by such party.

DocuSigned by:



50542E01BAE3499...

Name/Title: Glenn Page, Director

THIS DOCUMENT CONTAINS SECURITY FEATURES - SEE REVERSE

GPMC HOLDINGS INC.

RBC ROYAL BANK
304 DUNDAS STREET EAST
WATERDOWN, ONTARIO LOR 2H0

PAY

\$

TO THE
ORDER
OF



GPMC HOLDINGS INC.



PER

0238

10200327004

1000018611 1076620031

GPMC HOLDINGS INC.

018

[illegible]

HAMILTON

Issuing Authority/Autorité de délivrance

16 FEB / FEB 27

Date of expiry/Date d'expiration

16 FEB / FEV 17

HAHLETON CAN

Sex/Sexe

29 MAY / MAY 63

Date of birth/Date de naissance

CANADIAN/CANADIENNE

GLENN DAVIS
Nationality/Nationalité

Given names/Prenoms

PAGE

Surname/Nom

Typ

Guinness

CHANDRA

Passport No./N° de passeport
HM094537

PASSPORT
PASSPORT

CANADA



7 6 5 4 3 2 1

Signature of bearer - Signature du titulaire

ENDORSEMENTS AND LIMITATIONS
This passport is valid for all countries unless otherwise specified. The bearer must comply with any visa or other entry regulations of the countries to be visited.
SEE OBSERVATIONS BEGINNING ON PAGE 5 (IF APPLICABLE)

MENTIONS ET RESTRICTIONS

Ce passeport est valable pour tous les pays, sauf indication contraire. Le titulaire doit se conformer aux formalités relatives aux visas ou aux autres formalités d'entrée des pays où il a l'intention de se rendre.

VOIR LES OBSERVATIONS DÉBUTANT À LA PAGE 5 (LE CAS ÉCHÉANT)

E 6 T 4 5 7 9 7



This is Exhibit “Y” referred to in the Affidavit of Glenn Page sworn by Glenn Page at the City of Toronto, in the Province of Ontario, before me on November 24, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Bonnie Greenaway', written in a cursive style.

Commissioner for Taking Affidavits (or as may be)

BONNIE GREENAWAY

From: [Glenn Page](#)
To: [Nick Capretta](#); ["Lou Cerruti"](#); ["Brian de Nobriga"](#); ["Miles Hill"](#); [Scott Hill](#)
Subject: Meeting Tuesday Dec 7th at 1:30pm at OTE Offices
Date: Monday, May 6, 2019 10:56:02 AM
Attachments: [image001.jpg](#)

Gang

Here is the agenda for tomorrows board meeting

1. Review Auditors Draft Statements
2. Review Quarter 1 P&L
3. Review Forecast
4. Discussion on Distributions
5. Resource Planning and Updates
6. Open Forum

Let me know if you wish us to be prepared for any other topics

Glenn Page

President

Original Traders Energy LP

Phone: 519-512-2245

Cell: 905-334-2008

www.originaltradersenergy.com



This is Exhibit “Z” referred to in the Affidavit of Glenn Page sworn by Glenn Page at the City of Toronto, in the Province of Ontario, before me on November 24, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Bonnie Greenaway', written in a cursive style.

Commissioner for Taking Affidavits (or as may be)

BONNIE GREENAWAY

To: Nick Capretta[ncapretta@claybar.ca]
From: Glenn Page[glenn.page@originaltradersenergy.com]
Sent: Thur 5/2/2019 10:59:24 PM (UTC-04:00)
Subject: For Discussion Re: Distributions
[OTE Fcst Blending_Current GP Model.xlsx](#)

0243

Nick I will call you tomorrow or Monday regarding this.

If you look at the First Quarter results I sent out we are right on track so I am suggesting we start monthly outflows. I prefer smaller monthly amounts as I can manage them easier I chose the mid month timeframe because we are so end of month loaded with Provincial tax, fed tax and GST it is a challenge to stay out of the operating line

Glenn Page

President

Original Traders Energy LP

Phone: 519-512-2245

Cell: 905-334-2008

www.originaltradersenergy.com



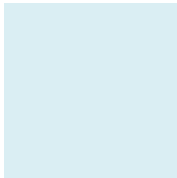
OTE Annual Budget Projection

	First Quarter 2019	Second Quarter		Third Quarter		Fourth Quarter		2019 Projection	
	210,000	405,000		525,000		570,000		427,500	
Litres/Day	355	355		355		355		355	
Days of Operation	\$/Litre	\$/Litre		\$/Litre		\$/Litre		\$/Litre	
Revenue	\$0.9955	\$0.9955	100%	\$0.9955	100%	\$0.9955	100%	\$0.9955	100%
COGS (Rack RUL \$0.63)	\$0.9166	\$0.9166	92%	\$0.9166	92%	\$0.9166	92%	\$0.9166	92%
Balanced Gross Margin	\$0.0790	\$0.0790	8%	\$0.0790	8%	\$0.0790	8%	\$0.0790	8%
Capital Fund - Allocation per Litre	\$0.0000	\$0.0050	1%	\$0.0050	1%	\$0.0050	1%	\$0.0038	0%
	Dollar	Dollar		Dollar		Dollar			
Revenue	\$74,216,370	\$143,131,571	100%	\$185,540,926	100%	\$201,444,434	100%	\$151,083,325	100%
COGS	\$68,329,356	\$131,778,044	92%	\$170,823,390	92%	\$185,465,395	92%	\$139,099,046	92%
Gross Margin	\$5,887,014	\$11,353,527	8%	\$14,717,536	8%	\$15,979,039	8%	\$11,984,279	8%
Other/Mgmt. Expenses	\$2,850,830	\$2,850,830	2%	\$2,850,830	2%	\$2,850,830	1%	\$2,850,830	2%
Labour	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Capital Fund - Community/Legal/Growth	\$0	\$0	\$0	\$931,875	1%	\$1,011,750	1%	\$485,906	0%
Depreciation	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Maintenance	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Total Expenses	\$2,850,830	\$2,850,830	2%	\$3,782,705	2%	\$3,862,580	2%	\$3,336,736	2%
NI Before Interest	\$3,036,184	\$8,502,697	6%	\$10,934,830	6%	\$12,116,458	6%	\$8,647,542	6%
Interest on LC \$1.5 million	\$0	\$0	0%	\$0	0%	\$0	0%	\$0	0%
Net Income	\$3,036,184	\$8,502,697	6%	\$10,934,830	6%	\$12,116,458	6%	\$8,647,542	6%

Quarterly Net Income	\$759,046.00	\$2,125,674.30	\$2,733,707.58	\$3,029,114.59	\$8,647,542
Funds for Distribution	\$0	\$1,062,837.15	\$1,366,853.79	\$1,514,557.30	\$3,944,248

Growth Stations	Renmar	Kanata Fuels	25k	Sarnia Gas	35k	Sit n Bull#2	25k
	Public Works	New Credit	30k	Burger Barn	15k	Sarnia Gen7	30k
		Summer Start	65k	Hiawatha Gen7	35k		
		Farm Starts	5k	Hiawatha Band	20k		
		Wahta Fuels	10k	Oneida			

	Reg	Prem	ULSD2	
Based on Rack Rate Current	\$ 0.802	\$ 0.902	\$ 0.780	
Imported CBOB, Ethnl, OCT91 and Conv Diesel by OTE and Submit FET only on Oct87				
	Octane 87	Octane 91	ULSD	From Hamilton Dyed Diesel
Rack	\$ 0.802	\$ 0.902	\$ 0.780	\$ 0.780
Rack Disc(based on Current US Rack)	\$ 0.070	\$ 0.035	\$ 0.065	\$ 0.035
Volume/Day	440,000	49,500	49,500	16,500
Revenue (Rack plus PET/FET less Disc)	\$0.9990	\$1.1090	\$0.9130	\$0.8100
Green COGS (Rack less disc)	\$0.7320	\$0.8670	\$0.7150	\$0.7450
FET	\$0.0800	\$0.0900	\$0.0270	\$0.0400
Marketing	\$0.0025	\$0.0025	\$0.0025	\$0.0000
Provincial Tax/Native Credits	\$0.0400	\$0.1470	\$0.1287	\$0.0400
Delivery	\$0.0400	\$0.0400	\$0.0400	\$0.0400
TTL COGS	\$0.8945	\$1.1465	\$0.9132	\$0.8250
Gross Margin	\$0.1045	-\$0.0375	-\$0.0002	-\$0.0150
Expected \$ Margin	\$ 45,980.00	\$ (1,856.25)	\$ (9.90)	\$ (247.50)
				43,866
				0.0790 per litre
PGT in Rates per day	17,600	7277	6371	31,247
Native Credits (20% of Norm)	194,040			937,415
				11,248,974
FET in Rates	35,200	4,455	1,337	660
				41,652
				1,249,545
				Mthly



0246

Original Traders Energy LP
Breakdown of Management, Labour
and Other Costs

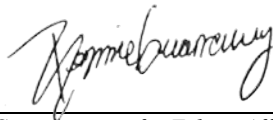
	Factor	Budget Monthly	Annual	Avg.	Incentive Max
Labour					Security Equipment
Shift Labour	8	9	\$41,580	\$498,960	2 people per shift 7x24
Site Super	0	0	\$0	\$0	9.5 hr Shifts
Site / Safety	1	1	\$7,083	\$85,000	\$25,500.0
Subtotal Labour			\$53,247	\$638,960	
Benefits	12%		\$6,390	\$76,675	
Total Labour			\$59,636	\$715,635	
Maintenance			\$6,000	\$72,000	
Other Expenses					
Rent (incl utilities)			\$3,000	\$36,000	1110 Brant Hwy 54 RR#2 Caledonia and 7273 Indian Line Rd
Brokerage			\$7,485	\$89,815	Based on 550,000 L per day and 50k per truck inbound times \$23 per load
Security Bond			\$7,083	\$85,000	Three Bonds \$25k, \$40k and \$20k
Insurance			\$9,500	\$114,000	Business Insurance, Auto Insurance, Building Rent Insurance
Auto			\$2,000	\$24,000	Mileage / Allowances for Mgmt / Marketing Vehicle for Field Rep/GP Vehicle
Travel			\$4,500	\$54,000	
Professional Fees			\$2,500	\$30,000	Gary B & legal
Misc.			\$2,500	\$30,000	T&E, Office Supplies, Copier, Software
Telecommunications			\$1,500	\$18,000	Cell Phones, Office Line
Banking			\$1,235	\$14,820	Cash Counting Fees and Business Support Fees
Web / Graphics			\$4,000	\$48,000	Piccasofish Marketing Graphics and Outside Contractor
Total Expenses			\$45,303	\$543,635	
Management Salaries					
Administration Direct Support	3	4	\$20,833	\$250,000	CSR (\$55k) Planner (\$65k) Admin (\$50k) Bookeeper(\$65k)
President	1		\$33,333	\$400,000	
Director Marketing	0		\$0	\$0	
Director Manufacturing	0		\$0	\$0	
VP Business Development	1		\$24,000	\$288,000	
Subtotal Salaries			\$78,167	\$938,000	
Benefits	12%		\$9,380	\$112,560	
Total Management Salaries			\$87,547	\$1,050,560	
Management Incentives***			\$39,083	\$469,000	Max \$25,500 Incentives will be based on meeting budgeted goals and are based on goals above baseline 100k litres
Total Other And Management Expenses			\$171,933	\$2,850,830	

	Litres	Incentive		Employee Bonus Breakdown
Management Incentives***	100,000	\$0		
	185,000	\$225,364	48%	Direct Support (30%)
	225,000	\$274,091	58%	Quality 33%
	300,000	\$365,455	78%	Profitability 33%
	385,000	\$469,000	100%	Liters 33%
				Management (50%)
				Quality 20%
				Profitability 20%
				Liters 60%
				Quality
				Station Run Out
				less then 2 / i Full 100%
				Less then 4 33%
				Less then 6 0%
				Profitability
				75% of Plan 0%
				85% 40%
				100% or greater 100%

OTE Inbound Commodity Forecast by Product Type

Product	Month	March	April	May	June
		2019	2019	2019	2019
		in US Gallons			
RUL		0	0		
PUL		131,241	145,542	167,373	192,479
ULSD		131,241	145,542	167,373	192,479
Dyed Diesel		54,604	65,937	75,210	86,543
CBOB		2,100,169	2,536,053	2,892,685	3,328,569
Ethanol		210,017	253,605	289,269	332,857

This is Exhibit "AA" referred to in the Affidavit of Glenn Page sworn by Glenn Page at the City of Toronto, in the Province of Ontario, before me on November 24, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

BONNIE GREENAWAY

To: Nick Capretta[ncapretta@claybar.ca]
From: Glenn Page[glenn.page@originaltradersenergy.com]
Sent: Mon 5/6/2019 3:05:23 PM (UTC-04:00)
Subject: FW: Original Traders Energy LP Draft Financial Statements
[Original Traders Energy LP - 2018FS \(001\).pdf](#)

0249

Can you read as well before I approve them

Glenn Page

President

Original Traders Energy LP

Phone: 519-512-2245

Cell: 905-334-2008

www.originaltradersenergy.com



From: Heather Komadowski <heatherk@petmas.ca>

Sent: May 6, 2019 2:53 PM

To: 'Glenn' <glenn.page@originaltradersenergy.com>; garydbeveridge@gmail.com

Cc: Gene Pettinelli <genep@petmas.ca>

Subject: Original Traders Energy LP Draft Financial Statements

Hi Gentlemen,

Please find the draft financial statements for Original Traders Energy LP attached for your review and comment.

Thank you,

Heather

Heather Komadowski CPA, CA

T 905 522 6555 ext. 247 **F** 905 522 6574 heatherk@petmas.ca

6th Floor, One James Street South, Hamilton ON L8P 4R5

www.petmas.ca



0250

Report is not dated

**Original Traders Energy Limited
Partnership**

Financial Statements
Draft - May 6, 2019, 2:40 PM
(Unaudited)

December 31, 2018

Draft - May 6, 2019, 2:40 PM

Independent Practitioner's Review Engagement Report

Draft - May 6, 2019, 2:40 PM

To the Partners of Original Traders Energy Limited Partnership

We have reviewed the accompanying financial statements of Original Traders Energy Limited Partnership that comprise the balance sheet as at December 31, 2018, and the statements of partners' deficit, operations and cash flows for the period from April 1, 2018 to December 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

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

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

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

Independent Practitioner's Review Engagement Report, continued***Basis for Qualified Conclusion***

During the period, the Partnership's accounting records became compromised and were not able to be fully restored. As a result, certain detailed transaction history within the period ended December 31, 2018 was not available. Furthermore, a summary of the financial results for the period September 1, 2018 to September 30, 2018 could not be recovered and thus the gross impact to the statement of operations for this period has not been considered. The net financial impact of the unrecoverable period has been estimated and further described in Note 12 of the financial statements.

Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the *Basis for the Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Original Traders Energy Limited Partnership as at December 31, 2018, and the results of its operations and its cash flows for the period from April 1, 2018 to December 31, 2018 in accordance with Canadian accounting standards for private enterprises.

**Chartered Accountants
Licensed Public Accountants**

Hamilton, Ontario

0253

Original Traders Energy Limited Partnership**Balance Sheet**

(Unaudited)

December 31, 2018**Draft - May 6, 2019, 2:40 PM**

	December 31 2018
Assets	
Current assets	
Cash	\$ 3,404
Accounts receivable	1,790,991
Inventory (Note 2)	688,380
Prepaid expenses	<u>39,407</u>
	2,522,182
Promissory note receivable (Note 3)	65,000
Due from related limited partnership (Note 4)	363,184
Property, plant and equipment (Note 5)	2,644,494
Mortgage receivable (Note 6)	<u>175,300</u>
	<u>\$ 5,770,160</u>
Liabilities and Partners' Deficit	
Current liability	
Accounts payable and accrued liabilities (Note 7)	\$ 3,687,471
Loan payable (Note 9)	1,250,000
Promissory notes payable (Note 10)	<u>1,157,700</u>
	6,095,171
Partners' deficit	<u>(325,011)</u>
	<u>\$ 5,770,160</u>

See accompanying notes to the financial statements.

APPROVED BY THE PARTNERS:

_____ Partner

_____ Partner

Original Traders Energy Limited Partnership 0254

Statement of Partners' Deficit

(Unaudited)

Period from April 1, 2018 to December 31, 2018

Draft - May 6, 2019, 2:40 PM

	Balance at beginning of the period	Initial contribution	Contributions	Financial adjustment (Note 12)	Share of loss	Balance at end of the period
Original Traders Energy Ltd.	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 100
Miles Hill	-	26,000	49,850	(94,695)	(65,663)	(110,508)
Scott Hill	-	26,000	49,800	(94,695)	(65,663)	(110,558)
2584861 Ontario Inc.	-	33,000	63,250	(120,190)	(83,342)	(140,282)
2658658 Ontario Inc.	-	15,000	28,750	(54,631)	(37,882)	(63,763)
	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 191,750</u>	<u>\$ (364,211)</u>	<u>\$ (252,550)</u>	<u>\$ (325,011)</u>

See accompanying notes to the financial statements.

Original Traders Energy Limited Partnership

Statement of Operations

(Unaudited)

Period from April 1, 2018 to December 31, 2018

Draft - May 6, 2019, 2:40 PM

Sales	\$ 31,720,794
Cost of sales	<u>30,832,637</u>
Gross profit	888,157
Expenses	
Wages and benefits	545,140
Professional fees	106,940
Insurance	82,003
Advertising and promotion	80,195
Amortization	82,445
Travel and automotive	62,787
Office and general	44,841
Rent	30,300
Commissions	24,737
Computer expense	16,741
Interest and bank charges	16,745
Repairs and maintenance	13,357
Telephone and utilities	11,090
Meals and entertainment	6,806
Miscellaneous	6,714
Equipment rental	5,967
Training and seminars	2,512
Security	1,878
Supplies	<u>1,334</u>
	<u>1,142,532</u>
Loss from operations	(254,375)
Other income	
Interest income	<u>1,825</u>
Loss before financial adjustment	(252,550)
Financial adjustment (Note 12)	<u>(364,211)</u>
Net loss for the period	<u>\$ (616,761)</u>

See accompanying notes to the financial statements.

Original Traders Energy Limited Partnership

Statement of Cash Flows

(Unaudited)

Period from April 1, 2018 to December 31, 2018

Draft - May 6, 2019, 2:40 PM

	Period ended December 31 2018
Cash flows from (used in) operating activities	
Net loss for the period	\$ (616,761)
Item not involving cash	
Amortization	82,445
	<u>(534,316)</u>
Net change in non-cash working capital balances relating to operations	
Increase in accounts receivable	(1,790,991)
Increase in inventory	(688,380)
Increase in prepaid expenses	(39,407)
Increase in accounts payable and accrued liabilities	3,687,471
	<u>1,168,693</u>
	<u>634,377</u>
Cash flows from (used in) investing activities	
Issuance of promissory note receivable	(65,000)
Purchase of property, plant and equipment	(2,726,939)
Mortgage receivable issued	(400,000)
Mortgage payments received	224,700
	<u>(2,967,239)</u>
Cash flows from (used in) financing activities	
Advances to related limited partnership	(376,511)
Repayment from related limited partnership	13,327
Repayment of loan payable	(250,000)
Proceeds from loan payable	1,500,000
Proceeds from promissory notes payable	1,157,700
Capital contributions	291,750
	<u>2,336,266</u>
Net increase in cash during the period	3,404
Cash at beginning of the period	<u>-</u>
Cash at end of the period	<u>\$ 3,404</u>

See accompanying notes to the financial statements.

Original Traders Energy Limited Partnership

Notes to Financial Statements (Unaudited)

December 31, 2018

Draft - May 6, 2019, 2:40 PM

Nature of operations

Original Traders Energy Limited Partnership (the "Partnership") was formed under the laws of the Province of Ontario by the Partnership Agreement dated July 2017 between Original Traders Energy Ltd., the General Partner of the Limited Partnership, and the Limited Partners described therein. The Partnership was formed to directly perform fuel distribution in the Province of Ontario.

Basis of accounting

These financial statements pertain to the Partnership carried on under the name of Original Traders Energy Limited Partnership and accordingly do not include all the assets, liabilities, revenue and expenses of the individual partners. The accounts do not contain any charges for salaries or interest to the partners and no provision has been made in the financial statements for the effect of personal income taxes on their net income for the period.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises (ASPE). The significant accounting policies are detailed as follows:

Cash

Cash consists of cash on hand and balances with financial institutions, net of outstanding cheques and deposits.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the average cost method. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The Partnership provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Office equipment	20%
Computer equipment	55%
Computer software	100%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Original Traders Energy Limited Partnership**Notes to Financial Statements**

(Unaudited)

December 31, 2018**Draft - May 6, 2019, 2:40 PM**

1. Significant accounting policies, continued**Revenue recognition**

Revenue is recognized when the product is shipped, the customer takes ownership and assumes the risk of loss, there is persuasive evidence that an arrangement exists, the sales price is fixed or determinable and collection is reasonably assured. Revenue is recorded net of any applicable discounts or other allowances.

Income taxes

No provision has been made for income taxes in these financial statements, as the income will be taxable to the corporate/individual partners.

Foreign exchange

Monetary assets and liabilities of the Partnership which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenues and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in the income (loss) from operations.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Financial instruments**Measurement of financial instruments**

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

The Partnership subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net loss in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, promissory note receivable, mortgage receivable and due from related limited partnership.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, promissory notes payable and loan payable.

Original Traders Energy Limited Partnership**Notes to Financial Statements**

(Unaudited)

December 31, 2018**Draft - May 6, 2019, 2:40 PM**

1. Significant accounting policies, continued**Financial instruments, continued****Impairment**

For financial assets measured at cost or amortized cost, the Partnership determines whether there are indications of possible impairment. When there is an indication of impairment, and the Partnership determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net loss. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net loss.

Transaction costs

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

2. Inventory

Inventory consists of finished goods. During the year, inventory totaling \$29,512,416 was expensed through cost of sales.

3. Promissory note receivable

The promissory note receivable is repaid in instalments at the same time as payments for the supply of motor fuel. Each principal instalment is calculated by multiplying \$0.005 by the number of litres of motor fuel paid for. Instalments are continued until the principal amount is repaid in full on the earlier of the due date, October 1, 2021, or a date prior to the due date. If the full principal amount has not been repaid on or prior to the due date, then the full outstanding balance of the principal amount shall become due and payable immediately.

Original Traders Energy Limited Partnership

Notes to Financial Statements

(Unaudited)

December 31, 2018

Draft - May 6, 2019, 2:40 PM

4. Due from related limited partnership

December 31

Due from Gen7 Fuel Management Services LP	\$ <u>363,184</u>
---	-------------------

Three of the limited partners in the Partnership are also limited partners in Gen7 Fuel Management Services LP. The balance due from related partnership is unsecured, non-interest bearing with no specific terms of repayment. Since the Partnership has indicated that it is not its intention to request payment of this amount during the next fiscal year, this amount has been classified as a non-current asset in the accompanying financial statements.

5. Property, plant and equipment

	Cost	Accumulated Amortization	December 31 Net Book Value
Buildings	\$ 2,553,252	\$ 38,299	\$ 2,514,953
Office equipment	25,901	1,943	23,958
Leasehold improvements	25,000	625	24,375
Computer equipment	26,472	5,460	21,012
Computer software	96,314	36,118	60,196
	<u>\$ 2,726,939</u>	<u>\$ 82,445</u>	<u>\$ 2,644,494</u>

6. Mortgage receivable

December 31

Mortgage receivable, receivable in monthly payments of \$6,000 as to principal, bearing interest at 0.00%, due August 2023	\$ <u>175,300</u>
---	-------------------

7. Accounts payable and accrued liabilities

Government remittances consist of amounts (such as sales tax, payroll taxes, health taxes and workers' safety insurance premiums) required to be paid to government authorities and are recognized when amounts become due. In respect of government remittances, \$2,383 is included in accounts payable and accrued liabilities.

Original Traders Energy Limited Partnership

Notes to Financial Statements

(Unaudited)

December 31, 2018

Draft - May 6, 2019, 2:40 PM

8. Line of credit

A line of credit has been authorized by the bank to a maximum of \$1,000,000 and bears interest at the Royal Bank of Canada's (RBC) prime lending rate plus 1.50%. A general security agreement covering all assets of the Partnership has been pledged as security. As at December 31, 2018, no amount had been drawn on the line of credit.

9. Loan payable

The loan payable is unsecured, non-interest bearing with no specific terms of repayment.

10. Promissory notes payable

	December 31
Note payable to Miles Hill, due February 2022	\$ 300,000
Note payable to Scott Hill, due February 2022	299,000
Note payable to 2584861 Ontario Inc., due February 2022	384,200
Note payable to 2658658 Ontario Inc., due February 2022	<u>174,500</u>
	<u>\$ 1,157,700</u>

The promissory notes payable are secured by a general security agreement and bear interest at 1.00% from time to time at the discretion of the lender with no specific terms of repayment. Interest has been waived in the current year.

11. Partnership units

	December 31	
	Partnership units	Total amount
Miles Hill	260,000	\$ 26,000
Scott Hill	260,000	26,000
2584861 Ontario Inc.	330,000	33,000
2658658 Ontario Inc.	<u>150,000</u>	<u>15,000</u>
	<u>1,000,000</u>	<u>\$ 100,000</u>

The Partnership is authorized to issue an unlimited number of partnership units and each partnership unit is entitled to one vote.

Original Traders Energy Limited Partnership

Notes to Financial Statements

(Unaudited)

December 31, 2018

Draft - May 6, 2019, 2:40 PM

12. Financial impact of unrecoverable period

During the period, the Partnership's accounting records were compromised and were not able to be fully restored. As a result, the financial and transaction history for the period September 1, 2018 to September 30, 2018 could not be recovered and thus the gross impact to the statement of operations for this period has not been considered. The estimated impact of the unrecoverable records on sales and cost of sales is as follows:

Estimated sales	\$ 2,900,000
Estimated cost of sales	(2,800,000)

The net impact of the unrecoverable records has been determined to be \$364,211 and has been adjusted for in these financial statements.

13. Related party transactions

The following transactions took place between the Partnership and Gen7 Fuel Management Services LP, a limited partnership under common control, during the year:

	December 31
Freight	\$ <u>361,087</u>

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