



No. S-226284
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

CEDAR ROAD BIOENERGY INC.
SUNCURRENT INDUSTRIES INC.
PAUL LIDDY

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF THE ASSETS AND PROPERTY OF
CEDAR ROAD BIOENERGY INC.**

**ADDENDUM TO THE FIRST REPORT OF
THE COURT-APPOINTED RECEIVER AND MANAGER,
D. MANNING & ASSOCIATES INC.**

DECEMBER 19, 2022

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE
ASSETS AND PROPERTY OF
CEDAR ROAD BIOENERGY INC.
Suite 520 – 625 Howe Street
Vancouver, B.C. V6C 2T6
(604) 683-8030, Fax (604) 683-8327
www.manning-trustee.com

This is an Addendum to the First Report of D. Manning & Associates Inc. (the “**Receiver**”), in its capacity as Court-Appointed Receiver Manager of the assets and property of Cedar Road Bioenergy Inc. (the “**Company**”). The First Report was dated December 6, 2022.

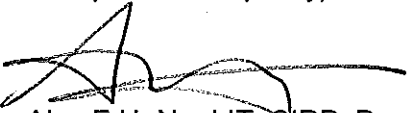
The Receiver has executed a Sale and Commission Agreement with TCL Asset Group Inc. dated December 14, 2022 and subject to Court approval, with a proposed auction date of March 16, 2023 (unless otherwise mutually agreed). The Sale and Commission Agreement is attached as **Exhibit “A”**.

It is the Receiver’s recommendation to apply for Court approval of the TCL Sale and Commission Agreement dated December 14, 2022.

Should you have any comments with regard to the above matters, please do not hesitate to bring them forward.

Yours very truly,

D. MANNING & ASSOCIATES INC.
LICENSED INSOLVENCY TRUSTEE
COURT-APPOINTED RECEIVER AND MANAGER
OF THE ASSETS AND PROPERTY OF
CEDAR ROAD BIOENERGY INC.
(not in its personal capacity)



Per: Alex E.H. Ng, LIT, CIRP, President

cc: Heather A. Frydenlund, Owen Bird Law Corporation

EXHIBIT "A"

SALE AND COMMISSION AGREEMENT WITH
TCL ASSET GROUP INC.
DATED DECEMBER 14, 2022

SALE AND COMMISSION AGREEMENT

THIS SALE AND COMMISSION AGREEMENT (this "Agreement") is made and entered into as of the 14 day of December, 2022, by and between D. Manning & Associates Inc., Court-Appointed Receiver and Manager of the Assets and Property of Cedar Road Bioenergy Inc., having its principal offices at Suite 520-625 Howe Street, Vancouver, B.C., Canada V6C 2T6 ("Client"), and TCL Asset Group Inc., having its principal offices at 56 Pennsylvania Avenue, Unit 13, Vaughan, Ontario L4K 3V9 Canada ("TCL") herein referred to from time to time as the "Seller".

(TCL and the Client, collectively referred to as the "Parties").

WITNESSETH:

WHEREAS the Seller is in the business, among other things, of serving as agent in facilitating sales of property, both real and personal; and

AND WHEREAS the Client desires to engage the services of TCL with respect to the sale of certain personal property assets hereinafter more particularly described, all on the terms and subject to the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein, and for other good and valuable consideration (the receipt, adequacy and sufficiency of which are hereby acknowledged by the Parties by the execution hereof), the Parties agree as follows:

1. **Purpose of Agreement.** The Client is the Court-Appointed Receiver and Manager of the Assets and Property of Cedar Road Bioenergy Inc. ("**Cedar Road**"). The Client wishes to engage the Seller to market and sell certain of Cedar Road's assets and property as listed and described on Exhibit A attached hereto and incorporated herein by this reference (collectively, the "**Assets**") on the terms set out in this Agreement. The Client hereby authorizes and hires the Seller to serve as its exclusive agent with sole right, during the term of this Agreement, to advertise, market, promote, offer for sale and sell the Assets of Cedar Road, of which shall be offered for sale by online public auction (the "**Auction**"). The Assets are physically located at 1105 Cedar Road, Nanaimo, B.C. (the "**Premises**"). The Auction conducted by the Seller and their agents shall take place on March 16, 2023, or on such day as the Seller and Client shall hereafter mutually agree, all as hereinafter more particularly described (the "**Auction Date**").

2. **Principal Covenants and Agreements of the Client**

(a) The Client shall not be entitled to and shall not, during the term of this Agreement, withdraw, remove or delete any of the Assets from sale under this Agreement without the prior written consent of TCL in each instance. To the best of its ability, the Client shall not, during the term of this Agreement, materially change or permit any material change in the condition of any of the Assets, move or relocate any of the Assets, permit the occurrence of any other events or circumstances that might negatively affect the value of the Assets or any sale or potential sale thereof, or hinder the Seller in the performance of its obligations under this Agreement. The Client hereby expressly acknowledges and agrees that it shall not have the right and shall not, during the term of this Agreement, offer for sale or sell the Assets, or any part thereof, directly or indirectly, except by or through the Seller, and that any and all sales of the Assets, or any part thereof, directly or indirectly, by or through the Seller or otherwise, during the term of this Agreement, shall be subject to the terms of this Agreement, including the compensation provisions set forth in Section 3 below. For the purposes of this Agreement, a "sale" or "sales" of the Assets shall include, without limitation, any reassignment, distribution or other transfer of the Assets, or any part thereof, for use within or by Client or to any person or entity affiliated with or related to Client, regardless of the absence of payment of consideration therefor.

(b) The Parties shall comply with all laws, statutes, rules, regulations, orders and other requirements of any governmental authority of competent jurisdiction relating to the sale of the Assets, or any part thereof, including without limitation the provisions of any applicable sales of goods laws and *Personal Property Security Act*. The Client shall indemnify, defend and hold harmless the Seller, its parent, subsidiaries and affiliates, as applicable, and their respective employees and agents from and against any and all proceedings, suits, claims, demands, actions, damages, costs, expenses, charges and/or other liabilities of any nature arising out of or related to the Client's failure to comply with the provisions of this Section 2(b). The Seller shall indemnify, defend and hold harmless the Client, its parent, subsidiaries and affiliates, as applicable, and their respective employees and agents from and against any and all proceedings, suits, claims, demands, actions, damages, costs, expenses, charges and/or other liabilities of any nature arising out of or related to the Seller's failure to comply with the provisions of this Section 2(b). The indemnification provided for in this Section 2(b) shall survive any termination of this Agreement but shall be subject to the provisions in the Receivership Order pronounced on August 4, 2022, in the Supreme Court of British Columbia Vancouver Registry Court Action Number S-226284 (the "Receivership Proceedings") and any further applicable Order granted in the Receivership Proceedings.

(c) During the term of this Agreement, the Seller and its respective employees and agents shall have full access to the Assets and the Premises at which the Assets are located. The Client hereby authorizes and permits the Seller and their respective employees and agents to enter and use the Premises at all reasonable times, without charge, for the purposes of evaluating, preparing, advertising, marketing, promoting, demonstrating and exhibiting the Assets and conducting sales, and for such other purposes as are incidental to performing the Seller's duties and obligations under this Agreement. The Client, at the Client's sole cost and expense, shall provide or cause to be provided reasonably adequate utilities (including without limitation local phone and trash hauling services) at the Premises to allow the Seller to perform its duties and obligations hereunder. Reasonable security for the Premises and the Assets shall be provided by the Client at the Client's sole cost and expense, unless other arrangements have been agreed to by the Client and Seller. The Seller shall comply with the Client's reasonable safety and security guidelines.

(d) Client hereby agrees as follows:

(i) The Client, to the best of its ability, shall furnish to the Seller, if requested by Seller, no later than ten (10) calendar days prior to the date of any sale, all documents evidencing the Client's title in and to the Assets to be offered for sale and completed and properly endorsed certificates of title, bills of sale, deeds, conveyances, registration materials and other documents necessary or appropriate to transfer free, clear and unencumbered title to the Assets to the purchasers thereof, as applicable. The Client shall indemnify, defend and hold harmless the Seller, its parent, subsidiaries and affiliates, as applicable, and their respective employees and agents from and against any and all proceedings, suits, claims, demands, actions, damages, costs, expenses, charges and/or other liabilities of any nature arising out of or related to any defects in title to the Assets or any part thereof, the inability to transfer free, clear and unencumbered title to the Assets or any part thereof to the purchaser(s) thereof, or other title related matters. The indemnification provided for in this Section 2(d)(i) shall survive any termination of this Agreement but shall be subject to the provisions in the Receivership Order pronounced on August 4, 2022 in the Receivership Proceedings and any further applicable Order granted in the Receivership Proceedings.

(ii) The Client, to the best of its ability, shall furnish to the Seller, if requested by Seller, no later than ten (10) calendar days prior to the date of sale, a verified list of all existing liens, charges and other encumbrances affecting the Assets, or any part thereof, to be offered for sale, and the Client hereby authorizes the Seller to pay any lien, charge or other encumbrance affecting the Assets, or any part thereof (and to be promptly reimbursed for same), in order to convey free, clear and unencumbered title in and to the Assets.

(iii) The Client shall not bid, either directly or indirectly, nor allow any other person or entity to bid on the Client's behalf, by agency or otherwise, on the Assets, or any part thereof, at the

Auction. The Client acknowledges and agrees that the Client's failure to comply with any provisions or requirements of Sections 2(a) through 2(d) of this Agreement shall be deemed to be a material breach of this Agreement.

3. **Compensation to Seller.** In consideration of the services provided by or on behalf of the Seller hereunder in relation to the Assets, the Client shall pay to the Seller a commission equal to 15% percent of the proceeds/sale value derived from any and all sales of the Assets, or any part thereof, during the term of this Agreement, whether effected by the Seller or otherwise (the "Commission"). The Seller will also charge and retain an industry standard Buyer's Premium directly to the purchaser in the amount of 18% percent (the "Buyer's Premium"). The Buyer's Premium is payable by the purchaser of the Asset, or part thereof, and not payable by the Client.

4. **Expenses.** The Client shall cover the cost of expenses related to (a) advertising, marketing and promoting the Assets and/or the Auction and/or selling the Assets, (b) preparing for and conducting the Auction, including labour for Asset tagging and cataloging and Auction set-up, and (c) reasonable travel, room and board, telephone and other miscellaneous reasonable out-of-pocket expenses. The expense budget has been set at a not-to-exceed amount of \$15,000.00 Canadian Dollars.

5. **Payment of Sale Proceeds.** Proceeds derived from any and all sales of the Assets, directly or indirectly by or through the Seller or otherwise, including without limitation deposits, earnest payments or other similar amounts (the "Sale Proceeds"), shall be paid by the purchaser(s) thereof directly to the Seller. The Seller will provide the Client with 50% percent of the collected Sale Proceeds less the applicable Commission and Buyer's Premium, as set forth in Section 3 of this Agreement, and taxes within 20 days of the Auction's closing. The remainder of the collected Sale Proceeds shall be paid to the Client along with the final reconciliation of sales within 30 days of the Auction's closing.

6. **Term of Agreement.** This Agreement shall commence on the date hereof and shall terminate ten (10) days following the Auction Date, unless otherwise extended by the mutual written agreement of the Parties or earlier terminated as expressly provided herein. Notwithstanding the foregoing or anything else herein to the contrary, this Agreement shall not terminate on any such date (as extended) if the Assets, or any part thereof, are then subject to a written letter of offer, binding letter of intent, executed purchase or sale agreement or other similar commitment. In any such event this Agreement shall be extended and remain in full force and effect until the sale(s) contemplated in such written letter of offer, letter of intent, purchase or sale agreement or other similar commitment have been consummated. Notwithstanding the foregoing, any Asset(s) that has not been sold or is not subject to a sale at the term of this Agreement shall no longer be subject to this Agreement. For clarity, the Client is entitled to sell any Asset(s) at the term of this agreement that has not already been sold, or is not under contract for sale, without being obliged to pay the Seller the Commission. Termination of this Agreement shall not in any manner affect the right of the Seller to receive, and the obligation of the Client to pay, any amounts due to the Seller hereunder.

7. **Environmental Remediation.** The Seller or their employees or agents shall not have any obligation or liability whatsoever to conduct or take any actions to remedy, correct, stabilize, neutralize or otherwise alter the environmental condition of the Premises and/or the Assets, or any part thereof. The Client hereby agrees to and shall indemnify, defend and hold harmless the Seller, its parent, subsidiaries and affiliate, as applicable, and their respective directors, officers, employees and agents, from and against any and all claims, causes of action, proceedings, demands, damages, costs, expenses and liabilities (including, without limitation, judgments and settlements) resulting from or in any way related to the environmental condition of the Premises and/or the Assets, or any part thereof, and/or arising from any violation or alleged or threatened violation of any environmental laws, rules or regulations in respect of the Premises and/or the Assets, or any part thereof, and the Seller and their respective directors, officers, employees or agents shall have no liability or responsibility therefor. Such indemnification shall survive the termination of this Agreement but shall be subject to the provisions in the

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Receivership Order pronounced on August 4, 2022 in the Receivership Proceedings and any further applicable Order granted in the Receivership Proceedings.

8. **Terms of Sale.** The Client shall transfer to each purchaser clear title to the Assets purchased, without any liens, encumbrances, security interests, adverse claims, mortgages, liabilities, pledges, conditional sale agreements, taxes, restrictions or charges of any kind or description whatsoever. The Assets will be sold on "as is, where is" basis. The Assets will be delivered to and received by the purchaser(s) thereof at the Premises. The Client shall be responsible for any costs associated with removal and transportation of the Assets without limitation if the Client wishes to move assets from one location to another. The purchaser(s) shall be responsible for and shall pay any and all taxes, duties and other charges imposed against sales of the Assets. Title to and risk of loss with respect to the Assets shall pass to the purchaser(s) thereof from the Client upon receipt by the Seller of the full purchase price therefor and payment by such purchaser(s) of any and all applicable taxes, duties or other charges with respect thereto. The Client hereby expressly authorizes the Seller to create and issue invoices and execute bills of sale or other documents in the name of and on behalf of the Client as Seller may determine to be necessary to effect sales of the Assets.

9. **Attorney-in-Fact.** The Client hereby nominates, constitutes and appoints the Seller as its true and lawful attorney-in-fact to act for the Client and in the Client's name, place and stead and for the Client's use and benefit to execute, sign and deliver all necessary deeds, bills of sale, conveyance and other instruments of any nature whatsoever necessary or convenient to transfer title to and/or permit registration of the Assets, or any part thereof, to and by any purchaser(s) thereof. The Client hereby agrees to execute all further documents and/or take all further reasonable actions necessary or appropriate to effect the grant under this Section 9.

10. **Risk of Loss.** The Client will bear the risk of loss of the Assets from the date of this Agreement until title thereto and risk of loss thereof is transferred to the purchaser(s) thereof.

11. **Advertising.** The Seller shall advertise, market and promote the sale of the Assets by auction or private treaty as the Seller may determine in its discretion to be appropriate from time to time. The Client hereby authorizes the Seller to use the name Cedar Road Bioenergy Inc. or assumed names, address, logos and trademarks in advertising, marketing and promotional materials to identify the type of assets to be sold and location of the Assets, as the Client deems necessary.

12. **Representations, Warranties and Covenants of Client.** The Client hereby represents and warrants to the Seller that as of the date of this Agreement, and as of the dates(s) of consummation of any sale(s) of the Assets, (i) the Assets will be free and clear of all liens, encumbrances, security interests, adverse claims, mortgages, liabilities, pledges, conditional sale agreements, taxes, restrictions and charges of any kind and description; (ii) The Client is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction, and this Agreement has been duly and validly executed and delivered by the Client and constitutes a legal, valid and binding obligation of the Client, enforceable against the Client in accordance with its terms; (iii) there is no litigation, claim or other proceeding pending or, to the knowledge of the Client, threatened, pursuant to which the Assets, or any part thereof, are or would be subject; (iv) the condition of the Assets does not violate and has not violated any environmental laws, rules or regulations and, to the best of Client's knowledge, no condition has existed or event has occurred with respect to the Assets, or any part thereof, that, with notice or the passage of time, or both, would constitute such a violation or would obligate (or potentially obligate) the Client to remedy, stabilize, neutralize or otherwise alter the environmental condition of the Assets, or any part thereof; and (v) except as expressly provided in this Agreement, there are no existing claims or agreements for brokerage commissions, finders' fees or similar compensation in connection with or pertaining to the Assets, or any part thereof. The Client shall not, without the prior written consent of the Seller (as applicable), contact, communicate and/or negotiate with, directly or indirectly, the contacts, clients or customers or prospective contacts, clients or customers of the Seller and their respective affiliates. Unless otherwise expressly provided in a writing signed by the Seller (as applicable), all such contacts, communications and/or negotiations shall be administered and directed exclusively by or through the Seller (as applicable). The Client shall, at its sole cost and expense, defend clear title to the



Assets against each and every person claiming the whole or any part of the Assets, subject to any applicable provisions in the Order(s) granted in the Receivership Proceedings.

13. Indemnification by Client. The Client shall indemnify, defend and hold harmless the Seller, its parent, subsidiaries and affiliates, as applicable, and their respective directors, officers, employees and agents, from and against any and all claims, demands and liabilities (including, without limitation, judgments, damages and settlements) and expenses that may be sustained or incurred as a result of acts or omissions of the Client, that result in (i) personal injury or property damage, (ii) any violation of governmental statute, ordinance or code, (iii) any violation of any security interest, license agreement, patent or other circumstance or encumbrance restricting the sale or use of the Assets, or any part thereof, or (iv) any untrue statement, omission of a material fact, misrepresentation of any relevant fact, or misleading information of which the Client has knowledge or should reasonably be expected to have knowledge. Such indemnification will survive the termination of this agreement but shall be subject to the provisions in the Receivership Order pronounced on August 4, 2022 in the Receivership Proceedings and any further applicable Order granted in the Receivership Proceedings.

14. Default by Client. In the event that the Client violates or fails to perform its obligations under this Agreement in any material respect, the Seller may, if it elects, suspend performance by the Seller under this Agreement and give the Client written notice of such violation or non-performance. The Client will have five days from the date of such notice to cure such violation or non-performance. If the Client fails to cure such violation or non-performance within such five day period, the Seller may thereafter, if either elects, terminate this Agreement. Upon any such termination, the Seller shall have no obligation to continue with the services contemplated by this Agreement and the Client shall immediately pay to the Seller, in readily available funds, an aggregate amount equal to the sum of (i) any and all reasonable expenses already incurred by or on behalf of the Seller in connection with the services provided by the Seller hereunder, plus (ii) any and all amounts earned by or payable to the Seller pursuant to this Agreement prior to the date of such termination. Such amounts may be paid or deducted by the Seller from the proceeds collected by the Seller under this Agreement, whether collected before or after the date of termination of this Agreement. The provisions of this Section 14 shall survive any termination of this Agreement but shall be subject to the provisions in the Receivership Order pronounced on August 4, 2022 in the Receivership Proceedings and any further applicable Order granted in the Receivership Proceedings.


15. Subject to Court Approval. This Agreement is subject to Court approval in the Receivership Proceedings.

16. Miscellaneous. This Agreement shall be binding upon, inure to the benefit of and be enforceable against the Parties and their respective permitted successors and assigns. No party hereto may assign or transfer any of its rights or obligations under or otherwise assign this Agreement to any person or entity without the prior written consent of the other Parties. This Agreement, including the Exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, undertakings and agreements between the Parties with respect to the subject matter hereof. The conditions of this Agreement, which may be waived, may only be waived by notice to the other party waiving such condition. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. This Agreement may not be changed, amended or modified except by a written document executed by all Parties. This Agreement and the rights and obligations of the Parties hereunder shall be deemed to have been made under and shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia applicable to contracts made and to be performed wholly within British Columbia (applicable to where assets are located), without regard to choice or conflict of laws rules. Any legal action or proceeding arising out of or related to this Agreement or the matters contemplated hereby shall be brought in the courts of (to be determined) in the Province of British Columbia or any court of the Canada for the Province of British Columbia and by execution and delivery of this Agreement, the Client hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such courts, and the Parties waive any objection to the bringing of any such action or proceeding in such respective jurisdictions. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but

all of which taken together will constitute one and the same instrument. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or email is to be treated as an original document. The signature of any party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. TCL shall not be responsible for any loss, damage or expense arising from a delay or interruption in performing its obligations contained in this Agreement due to any act of God, act of governmental authority, act of public enemy or due to war, riot, fire, severe weather, civil unrest, insurrection, failure of public utility, disease outbreak (including COVID-19), labor difficulty, or other acts outside the reasonable control of TCL which could not have been avoided by the exercise of due care.

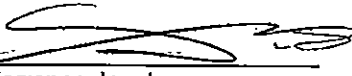
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

D. Manning & Associates Inc., Court-appointed Receiver and Manager of the assets and property of Cedar Road Bioenergy Inc., and not in its personal capacity

By: 
Name: ALEX E. H. NG
Title: PROCTOR

I have authority to bind this corporation.

TCL ASSET GROUP INC.

By: 
Name: Terrance Jacobs
Title: CEO

I have authority to bind this corporation.

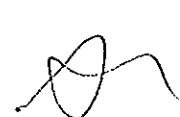
 TJ

EXHIBIT A
THE ASSETS

1. GE JENBACHER ENGINES/GENERATOR SET (X2)
+ 40" HC STANDARD SHIPPING CONTAINERS (X2)
+ GENERATOR SPARE PARTS
2. INTERCONNECT CABINET
3. GAS BOOSTER, GAS CONDITIONER SKID, DEHYDRATION UNIT
4. DOUBLE MEMBRANE GAS HOLDER
5. DISTRIBUTION SUBSTATIONS
6. SPARE PARTS & 1 HC 40' SEA CONTAINER
7. (3) SPARE STORAGE CONTAINERS (HC 40" SEA CONTAINERS)

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