

# Master Partnership Agreement

## Partnership Setup and Purpose

This Agreement sets up a partnership between the **Investor Side** and the **Operator** for the acquisition, use, protection, and, if elected, buyout of the asset.

In summary:

- the **Investor Side** provides capital and holds the asset under the bare trust and security structure described in this Agreement;
- the **Operator** contributes capital, uses the asset, and makes the agreed monthly payments;
- day-to-day operations and any buyout of the asset are in **fiat (CAD)**; and
- Appendix A governs the dissolution and variable rebate mechanic, while Appendix B governs limited administrative authority for convenience and enforcement.

## 1. Parties

This Master Partnership Agreement (the "**Agreement**") is made as of **[DATE]** between:

**1580242 B.C. LTD.**, as investor, bare trustee, secured party, and lienholder (the "**Trustee**"),

Address: [ADDRESS]

Email: [EMAIL]

**Carmodity Ltd.**, as disclosed servicing, administrative, and enforcement agent for the Trustee (the "**Agent**"),

Address: [ADDRESS]

Email: [EMAIL]

and

**[FULL LEGAL NAME]**, as operator and user of the asset (the "**Operator**"),

Address: [ADDRESS]

Email: [EMAIL]

The Trustee, the Agent, and the Operator are collectively the "**Parties**". The Trustee and the Agent are collectively referred to in this Agreement as the "**Investor Side**".

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## 2. Structure of the Agreement

This Agreement consists of:

- the main body of this Agreement, which governs the acquisition, possession, use, and protection of the asset;
- **Appendix A — Settlement, Dissolution, and Asset Purchase Agreement**, which applies only if elected by the Operator and accepted by the Investor Side and governs any purchase of the asset, recognition of Buyout Credits, dissolution of the partnership economics, and release of the bare trust and lien structure; and
- **Appendix B — Limited Power of Attorney and Administrative Consent**, which grants the Investor Side limited authority for registration, insurance, enforcement, and sale-related actions during the life of the partnership.

The main body of this Agreement stands on its own as the operative asset acquisition and use agreement. Appendix A stands on its own as the operative settlement, dissolution, and asset purchase agreement. Appendix B stands on its own as the limited power of attorney and administrative consent.

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## 3. Purpose

The purpose of this Agreement is to:

- support the Operator in acquiring and using an asset;
- allow the Investor Side to benefit from the asset's productive use in return for the capital and risk undertaken in the transaction;
- present the customer-facing transaction terms clearly, including monthly payment, total cost, and comparative effective APR; and
- permit the Parties, if elected, to continue the relationship into a settlement, dissolution, and purchase arrangement under Appendix A.

This Agreement is not intended to be a simple interest-bearing loan.

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## 4. Transaction Summary

### 4.1 Dates and Reference Information

- **Effective Date:** [DATE]
- **Maturity Date:** [DATE]
- **Deal ID:** [ID]
- **Dealer / Source:** [NAME]

### 4.2 Asset

- **Make & Model:** [VEHICLE]
- **Year:** [YEAR]

- **VIN:** [VIN]
- **Odometer:** [KM]

### 4.3 Customer Cost Summary

Operator Initials: \_\_\_\_\_

Item	Amount
Agreed Asset Price	\$100,000.00
Monthly Payment	\$2,124.83
Term Shown	60 months
5-Year Gross Payment Total	\$127,490.00
Comparative Effective APR*	10.00%

*\*\*APR is shown only for customer comparison purposes and consumer protection. This Agreement is not a loan.  
\*\**

## 5. Election to Purchase Under Appendix A

The Operator may elect, at the outset of this Agreement, to continue the relationship into **Appendix A — Settlement, Dissolution, and Asset Purchase Agreement** at or before maturity, subject to its terms.

By electing Appendix A, the Operator confirms that:

- the Operator intends to purchase the asset from the Investor Side;
- **Buyout Credits** recorded during the term of this Agreement are intended to carry forward into Appendix A rather than expire at the end of the term, subject to Appendix A;
- the Operator is willing to continue the partnership relationship for purposes of settlement, dissolution, and release of the bare trust and lien structure; and
- the final economic outcome including comparative Effective APR may change as described in Appendix A.

### Election Box

**Operator elects to opt into Appendix A — Settlement, Dissolution, and Asset Purchase Agreement**

Operator Initials: \_\_\_\_\_

If this box is not checked and initialed by the Operator, Appendix A shall not apply unless later separately executed by the Parties.

## 6. Use, Possession, and Care of the Asset

### 6.1 Grant of Use Rights

Subject to this Agreement, the Operator may possess, manage, and use the asset while in compliance with this Agreement.

### 6.2 Operator Covenants

The Operator shall:

- keep the asset in good working order and serviceable condition, ordinary wear and tear excepted;
- maintain all registrations, permits, and legal operating requirements applicable to the asset;
- operate the asset lawfully, prudently, and only for disclosed purposes;
- not misuse, hide, transfer, sublease, or further encumber the asset without the Investor Side's written consent;
- promptly report material damage, loss, seizure, theft, accident, claim, or default; and
- use commercially reasonable best efforts to prevent and mitigate loss, damage, theft, destruction, and uninsured exposure.

### 6.3 Insurance Requirements

At all times during the term of this Agreement, the Operator shall maintain insurance coverage on the asset, at the Operator's cost, with an insurer licensed in Canada, including at minimum:

- third-party liability coverage of not less than **\$1,000,000**; provided that if the asset is used for any **Commercial Purpose** at any time during the term, the Operator shall maintain at least **\$3,000,000** of such liability coverage;
- collision coverage with a **\$300 or \$500 deductible**; and
- comprehensive coverage with a **\$300 or \$500 deductible**.

Each applicable policy shall, where available and customary:

- name the Trustee as loss payee and secured party;
- name the Trustee and the Agent as additional insureds, where such designation is applicable to the coverage type;
- provide that the insurer will give notice of cancellation or material change to the Trustee and/or the Agent where such notice is available; and
- remain in force for so long as the Operator has possession or use of the asset.

The Operator shall provide proof of coverage on request and promptly deliver any renewal, replacement, or updated insurance information requested by the Investor Side.

### 6.4 Risk of Loss

Subject to the Operator's compliance with this Agreement, including the obligations to act prudently, maintain the required insurance, and use commercially reasonable best efforts to prevent and mitigate loss, the Trustee bears the residual risk of loss, damage, theft, destruction, or decline in value of the asset.

The Operator remains liable for losses, deficiencies, uninsured amounts, deductibles, diminution in value, or related costs to the extent caused by the Operator's:

- breach of this Agreement;
- negligence, wilful misconduct, or unlawful use;
- unauthorized transfer, concealment, or encumbrance;
- failure to maintain required insurance;
- failure to report or mitigate a loss; or
- failure to cooperate in a claim, recovery, or repair process.

## **6.5 Bare Trust and Security Structure**

Until settlement is completed under Appendix A, the asset shall be held under a bare trust and secured structure for the benefit of the Trustee, and any lien or security interest in favor of the Trustee shall remain in place.

The asset may be titled, registered, serviced, or administered in the name of the Trustee, the Agent, or a nominee acting for the Trustee, in each case to preserve the Trustee's beneficial interest and secured position.

## **6.6 Security Interest and Charge**

To secure the due payment and performance of all present and future obligations of the Operator under this Agreement and Appendix A, including without limitation any unpaid amounts, deficiencies, direct losses, repair costs, reconditioning costs, insurance shortfalls, enforcement costs, and any other amounts expressly recoverable under this Agreement, the Operator hereby grants to the Trustee a continuing first-ranking security interest in, lien on, and charge over the Operator's present and future right, title, and interest, if any, in and to:

- the vehicle described in this Agreement, including its make, model, year, VIN, plate number if available, all parts, accessions, additions, substitutions, replacements, attachments, and repairs;
- all proceeds, products, offspring, insurance proceeds, warranty proceeds, indemnity proceeds, sale proceeds, lease proceeds, rental proceeds, and other realizations of or relating to the vehicle;
- all refunds, rebates, claims, causes of action, credits, chargebacks, recoveries, and rights relating to the vehicle, the Agreement, or Appendix A;
- all Buyout Credits recognized or recorded under this Agreement or Appendix A;
- all books, records, documents, keys, access devices, GPS data, location data, and information relating to the foregoing, to the extent permitted by law.

The Parties acknowledge and agree that this Section constitutes a security agreement for the purposes of the **Personal Property Security Act (British Columbia)**.

### **6.6A Vehicle Collateral Description**

For greater certainty, the collateral subject to the security interest granted in Section 6.6 includes the following specific motor vehicle:

- Make: [MAKE]

- Model: [MODEL]
- Year: [YEAR]
- Colour: [COLOUR]
- VIN: [VIN]
- Plate Number: [PLATE, if known]
- Odometer at Effective Date: [KM]

If any of the foregoing information is unavailable at execution, the Operator authorizes the Trustee and the Agent to complete or update the collateral description after execution using accurate vehicle-identifying information for PPSA registration, repossession, transfer, and enforcement purposes.

### **6.6B Delivery of Copy and PPSA Registration Authorization**

A copy of this Agreement and any Appendix executed by the Operator shall be delivered to the Operator promptly after execution, including by email, and in any event within the time required by applicable law.

The Operator irrevocably authorizes the Trustee and the Agent, without further notice except where required by law, to:

- prepare, file, register, amend, continue, renew, assign, discharge, or correct any financing statement, notice, serial-number registration, or other record under the **Personal Property Security Act (British Columbia)** or other applicable law;
- describe the collateral in any such filing by reference to this Agreement, the vehicle, the VIN, proceeds, Buyout Credits, and any related collateral contemplated by this Agreement; and
- take any step reasonably necessary to maintain, perfect, protect, or enforce the Trustee's security interest and lien rights.

### **6.6C Location, Access, and Surrender**

The Operator shall keep the Investor Side informed of the principal location of the vehicle and shall promptly provide updated location information upon request.

Upon an Event of Default and after any notice required by law or by this Agreement, the Operator shall, on demand:

- disclose the exact location of the vehicle;
- cease any unauthorized use of the vehicle;
- make the vehicle available for peaceful repossession at a reasonable time and place specified by the Investor Side;
- deliver all keys, remotes, access devices, registration documents, insurance documents, and related materials; and
- cooperate with the Trustee and the Agent to permit inspection, recovery, towing, storage, transfer, sale, or other lawful realization.

### **6.6D Security Agreement Signature Acknowledgment**

The Operator acknowledges that Sections 6.6 through 6.6C form part of the security agreement and lien structure granted in favor of the Trustee.

Operator Signature for Security Agreement: \_\_\_\_\_

Date: \_\_\_\_\_

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## 7. Monthly Payment and Treatment of Amounts Paid

### 7.1 Monthly Payment Amount

- **Monthly Payment: \$2,124.83**

### 7.2 Payment Split

Each monthly payment consists of:

- **Use Fee: \$562.33**
- **Buyout Credit: \$1,562.50**

### 7.3 Effect of Payment

- the **Use Fee** is earned for the Operator's possession and use of the asset;
- the **Buyout Credit** is recorded during the term and, if Appendix A is elected and applicable, may be recognized toward the purchase price of the asset under Appendix A;
- Buyout Credits do **not** purchase partnership shares month by month; and
- Buyout Credits do **not**, by themselves, release the bare trust, discharge any lien, or transfer ownership of the asset.

### 7.4 Payment Method, Due Date, and PAD Authorization

All monthly payments shall be made by pre-authorized debit or other method approved by the Investor Side on or before the payment date specified in the commercial summary or any schedule. Dishonoured, returned, or late payments may incur a reasonable administration fee stated in a schedule or otherwise permitted by law.

### 7.5 Authorization for Pre-Authorized Debit (PAD) Plan

By signing this Agreement, the Operator authorizes **1580242 B.C. LTD.** and **Carmodity Ltd.**, and either of them acting on behalf of the other, to withdraw funds from the Operator's designated bank account by pre-authorized debit for all amounts due under this Agreement and Appendix A, including monthly payments, arrears, permitted administration charges, deficiencies, direct losses, and any other direct amounts expressly payable by the Operator.

The Operator shall provide complete and accurate banking information for the PAD plan, including:

- financial institution name;
- branch number;
- institution number; and

- account number.

The Operator authorizes the Investor Side to rely on the banking information provided and to continue withdrawals until all obligations under this Agreement and Appendix A have been fully satisfied or until the Investor Side agrees in writing to a different payment method.

The Operator agrees that revocation of PAD instructions does not cancel or reduce any payment obligation under this Agreement and that, if PAD is revoked or fails, the Investor Side may require immediate replacement payment arrangements acceptable to the Investor Side.

Operator Signature for PAD Authorization: \_\_\_\_\_

Date: \_\_\_\_\_

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## 8. Default, Cure, and Protection of the Asset

### 8.1 Events of Default

Each of the following is an **Event of Default**:

- failure to make any payment when due and continuation of that failure for **5 Business Days** after notice, or immediately where pre-authorized payments are revoked without replacement arrangements acceptable to the Investor Side;
- failure to maintain required insurance, registration, or lawful operating status, continuing for **3 Business Days** after notice where curable;
- misuse, concealment, unauthorized transfer, sublease, or encumbrance of the asset;
- material misrepresentation, fraud, or intentional non-disclosure;
- insolvency, bankruptcy, assignment for the benefit of creditors, or similar proceeding;
- material breach of this Agreement or Appendix A that remains uncured for **5 Business Days** after notice, where curable; or
- theft, seizure, destruction, or impairment of the asset accompanied by failure of the Operator to promptly report, cooperate, or mitigate as required by this Agreement.

### 8.2 Remedies

Upon an Event of Default, the Investor Side may, to the extent permitted by law:

- suspend the Operator's right to use the asset;
- require delivery of updated insurance, registration, location, and condition information;
- enter onto property where the asset is located, peacefully and lawfully, to inspect, protect, recover, or repossess the asset;
- realize on any security interest or lien;
- dispose of the asset in a commercially reasonable manner;
- apply proceeds in the order permitted by law and this Agreement; and
- pursue any other remedy available at law, in equity, or under the PPSA.

## **8.2A Use of Vehicle After Default**

After an Event of Default and after any notice or cure period required by this Agreement or applicable law has expired, the Operator's right to possess and use the vehicle shall automatically terminate unless the Investor Side agrees otherwise in writing.

Any continued possession or use after that time shall be deemed unauthorized and shall be without prejudice to any repossession, enforcement, damages, or other rights available to the Investor Side.

## **8.2B Notice of Disposition**

Before any sale, lease, or other disposition of the vehicle following repossession or realization, the Investor Side shall give the Operator any notice required by applicable law, including any notice required under the **Personal Property Security Act (British Columbia)**.

Any such notice may include, without limitation:

- a description of the collateral;
- the nature of the default;
- the amount required to cure or redeem, if applicable;
- the intended method of disposition;
- the date after which disposition may occur; and
- a statement regarding any potential deficiency or surplus, where applicable.

## **8.2C Application of Proceeds**

Unless otherwise required by law, all amounts realized from repossession, recovery, sale, insurance payout, settlement, or other realization of the vehicle or related collateral shall be applied in the following order:

1. costs of protection, repossession, towing, transport, storage, inspection, repair, remarketing, sale, transfer, registration, legal enforcement, and other realization costs;
2. unpaid insurance premiums, taxes, registration charges, and other third-party charges relating to the collateral;
3. unpaid fees, monthly amounts, and other direct amounts due under this Agreement;
4. amounts due under Appendix A, including any Asset Buyout Amount, deficiency, reparation amount, or other direct amount recoverable thereunder;
5. restoration or application of any Buyout Credit reductions, or other direct deficiency adjustments permitted by this Agreement or Appendix A; and
6. any remaining surplus, if required by law, to the person lawfully entitled to it.

For greater certainty, nothing in this Section limits the Trustee's right to claim any remaining deficiency to the extent permitted by law and by the Agreement.

## **8.3 Buyout Credits on Default**

Buyout Credits may be reduced, disallowed, or forfeited only to the extent reasonably required to cover losses, deficiencies, deductibles, uninsured exposure, enforcement costs, repair costs, reconditioning costs,

third-party claims, or other direct amounts caused by the Operator's default, breach, or misconduct, or otherwise expressly permitted by Appendix A.

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## **9. Limitation of Liability**

Except in cases of fraud, wilful misconduct, gross negligence, or any liability that cannot lawfully be limited, no Party shall be liable to another Party for any indirect, incidental, special, punitive, or consequential loss arising out of this Agreement, including lost profits, lost opportunity, or market losses.

The Investor Side does not guarantee profitability, resale value, appreciation, or any specific economic outcome. The Operator remains responsible for direct losses arising from misuse, neglect, unauthorized transfer, lack of required insurance, breach of this Agreement, or failure to mitigate.

Nothing in this Section limits any Party's right to recover direct amounts expressly due under this Agreement, including unpaid fees, direct damage to the asset caused by breach, enforcement costs where recoverable by law, or any amount due under Appendix A if applicable.

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## **10. General Terms**

### **10.1 Assignment and Agency**

The Trustee may act through the Agent and may assign, participate, or transfer any interest in this Agreement, the asset, or any related security, trust, or payment rights, subject to applicable law. The Operator may not assign this Agreement without the Investor Side's prior written consent.

### **10.2 Entire Agreement**

This Agreement and Appendix A, if applicable, together with Appendix B if executed, constitute the entire agreement among the Parties with respect to the subject matter and replace all prior oral and written discussions on that subject matter.

### **10.3 Independent Legal Advice and Limited Unwinding Right**

The Operator acknowledges having had the opportunity to seek independent legal advice before signing this Agreement and any Appendix.

If the Operator is advised by independent legal counsel that the Operator should not proceed, the Operator may unwind the transaction by written notice delivered to the Investor Side within **2 days after signing**, and no later. Any such unwinding shall be subject to prompt return of the asset if already delivered, reimbursement of any third-party costs already incurred by the Investor Side, and any other steps reasonably required to restore the Parties as nearly as practicable to their pre-signing positions.

If no such written notice is delivered within that 2-day period, the Agreement and any Appendix executed by the Operator shall remain fully binding, subject only to their express terms.

## 10.4 Electronic Signatures and Counterparts

This Agreement and Appendix A may be executed electronically and in counterparts, each of which is deemed an original and all of which together form one instrument.

## 10.5 No Reliance on Oral Statements

The Operator acknowledges that the Operator has not relied on any oral statement, sales statement, promotional statement, or informal representation inconsistent with this Agreement or Appendix A.

The Operator acknowledges that the written terms of this Agreement and Appendix A alone govern the Parties' rights and obligations.

## 10.6 Additional Documents and Further Assurances

The Operator shall, on request, promptly execute and deliver any additional notices, acknowledgments, registration forms, transfer documents, odometer statements, insurance forms, PPSA confirmations, serial-number collateral schedules, possession undertakings, or other documents reasonably required by the Trustee or the Agent to:

- perfect, preserve, register, or enforce the security interest and lien rights created by this Agreement;
- repossess, transfer, sell, or otherwise realize on the collateral;
- complete title transfer on buyout; or
- give full effect to the intent of this Agreement and Appendix A.

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## 11. Governing Law and Jurisdiction

This Agreement is governed by the laws of **British Columbia** and the federal laws of Canada applicable in British Columbia. The Parties attorn to the exclusive jurisdiction of the courts of British Columbia for proceedings arising from this Agreement, without limiting any right of the Trustee to exercise self-help or secured creditor remedies where lawful.

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## 12. Signatures

### 1580242 B.C. LTD., as Trustee / Investor

Name: \_\_\_

Title: \_\_\_

Signature: \_\_\_

Date: \_\_\_\_\_

### Carmodity Ltd., as Agent

Name: \_\_\_

Title: \_\_\_

**Signature:** \_\_

Date: \_\_\_\_\_

**Operator**

Name: \_\_\_\_\_

Signature: \_\_

Date: \_\_\_

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# Appendix A — Settlement, Dissolution, and Asset Purchase Agreement

## A1. Application of Appendix A

This Appendix A applies only if the Operator has elected Appendix A in Section 5 of the Agreement or if the Parties later separately execute this Appendix A.

Upon application, this Appendix A governs:

- recognition of Buyout Credits;
- the final purchase of the asset by the Operator;
- dissolution of the internal partnership economics between the Parties; and
- release of the bare trust and discharge of any lien or security interest in connection with full settlement.

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## A2. Transaction and Partnership Terms Summary

### A2.1 Dates and Reference Information

- **Settlement Date:** [DATE]
- **Buyout Date:** [DATE]
- **Deal ID:** [ID]

### A2.2 Asset

- **Make & Model:** [VEHICLE]
- **Year:** [YEAR]
- **VIN:** [VIN]

### A2.3 Commercial Terms

Item	Amount
Agreed Asset Price	\$100,000.00
Investor Contribution	\$100,000.00
Operator Contribution (Nonrefundable)	\$25,000.00
Upfront Fee (deducted from Operator Contribution, not Financed)	\$6,250.00
Net Contribution Reference Amount	\$18,750.00
Monthly Buyout Credit	\$1,562.50
Maximum Comparative Effective APR	23.24%

**Maximum Comparative Effective APR assumes the upfront fee is paid, no rebate is payable, and due to forfeit or otherwise the Operator does not recover any of the Net Contribution Reference Amount.**

### A2.4 Partnership Terms & Unit of Account Disclosure

Item	Amount
Investor Partnership Ratio	86.98%
Operator Partnership Ratio	13.02%
Investor price per unit %	[INVESTOR UNIT PRICE %]
Operator price per unit %	[OPERATOR UNIT PRICE %]

For clarity:

- the Maximum Comparative Effective APR reflects the illustrated worst-case no-rebate / forfeiture scenario;
- the Upfront Fee is fully earned when paid unless otherwise expressly stated in a schedule or required by law;
- the asset purchase and buyout remain payable in fiat (CAD);
- Buyout Credits remain fiat (CAD) credits applied against the fiat (CAD) purchase price of the asset;
- the Operator Contribution is non-refundable and subject to a variable rebate; and
- outside of day-to-day fiat (CAD) operations, Bitcoin is the unit of account for this partnership as referenced in Section A4, when determining rebates and dissolution.

The Parties acknowledge that the Investor Side may receive preferential pricing per unit in the partnership to offset the control privilege and access to personal use of the asset that the Operator has during the term of the partnership.

Operator Initials: \_\_\_\_\_

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## **A3. Asset Buyout Mechanics and Buyout Credits**

### **A3.1 Agreed Asset Price**

The agreed purchase price of the asset under this Appendix A is **\$100,000.00**.

The asset itself is purchased and settled in fiat (CAD).

### **A3.2 Buyout Credits**

Recognized **Buyout Credits** recorded under the Agreement:

- reduce the fiat (CAD) amount required to buy out the asset;
- do not represent monthly purchases of partnership shares;
- do not release the bare trust, discharge any lien, or transfer ownership by themselves; and
- remain subject to any valid reduction, disallowance, or forfeiture under the Agreement or this Appendix A.

### **A3.3 Asset Buyout Amount**

The **Asset Buyout Amount** is:

**Asset Buyout Amount = Agreed Asset Price – Recognized Buyout Credits**

If the Asset Buyout Amount would produce a number below zero, the Asset Buyout Amount is deemed to be **\$0.00**.

### **A3.4 Buyout Mechanics**

The Operator may purchase the asset by paying the Asset Buyout Amount together with any direct taxes, registration charges, and other buyout amounts expressly payable by the Operator.

Upon payment in full of the Asset Buyout Amount and all other direct amounts due at buyout:

- the Trustee shall release the asset from bare trust and discharge any lien or security interest in favor of the Operator;
- the Investor Side shall deliver any transfer documents reasonably required to complete ownership registration; and
- the Operator shall become the owner of the asset, subject to applicable registration, tax, and transfer requirements.

### **A3.5 Early Buyout and Termination**

The Operator may elect an early buyout before the scheduled end of the term.

Unless otherwise agreed in writing in a deal-specific schedule, the **Early Buyout Amount** shall be the greater of:

- the remaining difference between the accumulated Recognized Buyout Credits and the Agreed Asset Price; and
- the number of months left in the partnership, including any months for which payment was not made, was deferred, or was otherwise outstanding for any reason, multiplied by the monthly Buyout Credit amount.

For clarity, early buyout may occur together with termination or dissolution of the partnership relationship, in which case the steps in Section A4 shall apply after completion of the early buyout.

However, termination by the Operator without completing the buyout shall result in:

- forfeiture of all accumulated Buyout Credits;
- forfeiture of all contribution amounts, subject to any stricter application required elsewhere in this Agreement or Appendix A; and
- return of the vehicle to the Investor Side at term or upon earlier lawful demand, as applicable.

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## A4. Dissolution and Variable Rebate Mechanic

### A4.1 Section Summary

This Section A4 governs the dissolution and variable rebate mechanic only. It does not change the fiat (CAD) buyout mechanics in Section A3.

In summary:

- the asset is bought out in **fiat (CAD)** under Section A3;
- after that, the Parties determine the **End of Term Balance**;
- the End of Term Balance reflects the total performance of the partnership by adding together the relevant cash and Bitcoin-referenced value held or received for the partnership at the relevant end date;
- the Parties then determine whether the result is a **Higher Rebate Outcome** or a **Lower Rebate Outcome**;
- if the result is a Higher Rebate Outcome, the End of Term Balance is split by the partnership ratios;
- if the result is a Lower Rebate Outcome, the End of Term Balance is split by the recovery ratios; and
- the Operator's rebate, if any, is the Operator's resulting allocated share after all permitted reductions, forfeitures, losses, costs, and other direct adjustments under this Agreement and Appendix A.

Unless expressly stated otherwise in a deal-specific schedule, the commercial and partnership figures summarized in Section A2.4 apply to this Section A4.

## **A4.2 Operator Contribution and Net Contribution Reference Amount**

The Operator Contribution is treated under this Appendix A as a non-refundable deposit amount with a variable rebate mechanic.

The Operator Contribution:

- is not refundable on demand;
- is not held in trust for repayment to the Operator;
- is not a guaranteed recoverable amount; and
- may give rise to a rebate only in accordance with this Section A4.

For purposes of this Section A4, the Net Contribution Reference Amount is the portion of the Operator Contribution remaining after deduction of the Upfront Fee, as reflected in Section A2.4.

## **A4.3 End of Term Balance**

After the fiat (CAD) Asset Buyout Amount is determined under Section A3, the Parties shall determine an **End of Term Balance** for purposes of the dissolution and variable rebate mechanic.

Unless otherwise stated in a deal-specific schedule, the End of Term Balance consists of:

- all recognized fiat (CAD) receipts from payments made during the term;
- any recognized payment made at maturity, buyout, or end-date settlement; and
- the end-date Bitcoin-referenced value of the Net Contribution Reference Amount.

For greater certainty:

- Buyout Credits continue to reduce the fiat (CAD) Asset Buyout Amount under Section A3;
- this Section A4 applies only to the dissolution, rebate, and internal allocation mechanics between the Parties; and
- no provision of this Section A4 requires the Operator to buy out the asset in Bitcoin.

## **A4.4 Bitcoin Reference Treatment**

For the dissolution and variable rebate mechanic only:

- the Net Contribution Reference Amount is measured by reference to the Bitcoin Reference Price at Start;
- on the applicable end date, that reference amount is valued using the previous day close price of Bitcoin;
- recognized Buyout Credits may also be translated by reference to that same end-date Bitcoin price for internal allocation purposes; and
- such Bitcoin reference treatment is used solely to determine the End of Term Balance, the rebate outcome, and the final internal allocation.

#### **A4.5 Allocation and Rebate Rule**

The Operator's rebate, if any, shall be determined in the following order:

1. determine the full End of Term Balance under Section A4.3;
2. determine whether the result is a Higher Rebate Outcome or a Lower Rebate Outcome;
3. if Higher, apply the partnership ratios to the End of Term Balance;
4. if Lower, apply the recovery ratios to the End of Term Balance;
5. determine the Operator's allocated share; and
6. apply any valid reductions, disallowances, forfeitures, deficiencies, shortfalls, enforcement costs, repair costs, reconditioning costs, insurance shortfalls, or other direct adjustments permitted by this Agreement and Appendix A.

For greater certainty:

- the rebate is not determined by Buyout Credits alone;
- the rebate is not a simple return of the Operator Contribution; and
- the rebate is the Operator's allocated result from the End of Term Balance, subject to the terms of this Agreement and Appendix A.

#### **A4.6 Higher Rebate Outcome and Partnership Ratios**

A **Higher Rebate Outcome** occurs where the formula in this Section A4 produces a stronger rebate result for the Operator after application of the relevant ratios and end-date Bitcoin reference.

For the internal partnership economics only, a Higher Rebate Outcome corresponds to a **partnership loss scenario in Bitcoin terms**.

In a Higher Rebate Outcome, the End of Term Balance is split using the partnership ratios set out in Section A2.4, unless a deal-specific schedule states otherwise.

#### **A4.7 Lower Rebate Outcome and Recovery Ratios**

A **Lower Rebate Outcome** occurs where the formula in this Section A4 produces a reduced or negative rebate result for the Operator after application of the relevant ratios and end-date Bitcoin reference.

For the internal partnership economics only, a Lower Rebate Outcome corresponds to a **partnership profit scenario in Bitcoin terms**.

In a Lower Rebate Outcome, the End of Term Balance is split using the **recovery ratios** rather than the partnership ratios.

The Operator recovery ratio is determined as:

**value of BTC held ÷ value of End of Term Balance (inclusive of BTC held)**

The Investor recovery ratio is determined as:

## **1 – Operator recovery ratio**

In a Lower Rebate Outcome, the rebate payable to the Operator may be less than the full Operator Contribution, and in some circumstances no rebate may be payable at all.

### **A4.8 Final Fiat Tally**

After the rebate and internal partnership allocation are determined under this Section A4, any final amount payable between the Parties may be expressed and settled in fiat (CAD) for payment purposes.

That final fiat (CAD) amount reflects the result of the rebate and internal partnership allocation and does not replace it.

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## **A5. Default, Buyout Credits, Contribution Amounts, and Failure to Buyout**

If, after electing Appendix A, the Operator fails to complete buyout when due, the Investor Side may exercise any rights available under the Agreement and applicable law, including:

- retaining, reducing, or applying Buyout Credits to direct losses, holding costs, taxes, insurance shortfalls, repair or reconditioning costs, enforcement expenses, or other direct amounts caused by the Operator's default or failure to buy out; and
- where additional payment is not provided when due after such reduction or application of Buyout Credits, retaining, applying, or continuing to hold contribution amounts as additional collateral and reparation to the extent reasonably required to cover the remaining direct loss, deficiency, or shortfall.

For greater certainty, neither Buyout Credits nor the Operator Contribution are refundable on demand.

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## **A6. Limitation of Liability**

Except in cases of fraud, wilful misconduct, gross negligence, or any liability that cannot lawfully be limited, no Party shall be liable to another Party for any indirect, incidental, special, punitive, or consequential loss arising out of this Appendix A, including lost profits, lost opportunity, or market losses.

The Investor Side does not guarantee resale value, appreciation, or any specific economic outcome. Nothing in this Appendix A eliminates the Operator's obligation to pay the Asset Buyout Amount and any other direct amounts due under this Appendix A once this Appendix A is elected or executed and buyout is elected.

Nothing in this Section limits any Party's right to recover direct amounts expressly due under this Appendix A, including the Asset Buyout Amount, transfer-related costs, enforcement costs, or losses validly chargeable against Buyout Credits or contribution amounts under this Appendix A or the Agreement.

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## A7. Governing Law and Jurisdiction

This Appendix A is governed by the laws of **British Columbia** and the federal laws of Canada applicable in British Columbia. The Parties attorn to the exclusive jurisdiction of the courts of British Columbia for proceedings arising from this Appendix A.

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## A8. Operator Enforcement Acknowledgment

The Operator acknowledges and agrees that:

- this Agreement creates enforceable security rights in favor of the Trustee over the vehicle and related collateral;
- on default, the Trustee and the Agent may take lawful repossession and enforcement steps, including registration, demand, recovery, sale, and application of proceeds;
- Buyout Credits and contribution amounts may be reduced, retained, or applied under the Agreement and Appendix A;
- the Operator Contribution is not a refundable deposit;
- the Operator understands that the Operator may receive back less than the Operator Contribution, none of it, or more than it, depending on the formula and the facts at the relevant end date; and
- the Operator has had the opportunity to seek independent legal advice and, if so advised by counsel, may unwind the transaction by written notice within 2 days after signing and no longer.

Operator Initials: \_\_ **Operator Signature:** \_\_\_\_

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## A9. Signatures

### 1580242 B.C. LTD., as Trustee / Investor

Name: \_\_

**Title:** \_\_

**Signature:** \_\_

Date: \_\_\_\_

### Carmodity Ltd., as Agent

Name: \_\_

**Title:** \_\_

**Signature:** \_\_

Date: \_\_\_\_

### Operator

Name: \_\_\_\_

Signature: \_\_

**Date:** \_\_\_\_

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# Appendix B — Limited Power of Attorney and Administrative Consent

## B1. Purpose

This Appendix B is for administrative convenience during the partnership and for limited enforcement-related actions if needed.

## B2. Operator Identification

- Full Legal Name: [FULL LEGAL NAME]
- Date of Birth: [DATE OF BIRTH]
- Driver's Licence Number: [DRIVER'S LICENCE NUMBER]
- Address: [ADDRESS]

## B3. Validity

- **Valid From:** [DATE]
- **Valid Until:** [end of partnership]

## B4. Limited Authority

For the duration of this Appendix B, the Operator authorizes **1580242 B.C. LTD.** and **Carmodity Ltd.**, acting individually or together, to do only the following as reasonably required in connection with the asset and this Agreement:

- register, renew, transfer, or update vehicle records;
- place, maintain, amend, or cancel insurance on the asset;
- communicate with registries, insurers, brokers, repair shops, towing companies, storage providers, buyers, and governmental authorities;
- sign and deliver routine forms and documents reasonably required for registration, insurance, transfer, repossession, sale, or enforcement;
- receive insurance proceeds, refunds, or related payments; and
- take reasonable steps to protect, recover, transfer, or sell the asset where permitted by this Agreement or by law.

## B5. Limits

This Appendix B is limited to actions reasonably connected to administration, protection, registration, insurance, buyout, transfer, sale, or lien enforcement relating to the asset.

It does not authorize the Trustee or the Agent to act outside this Agreement or contrary to mandatory law.

## **B6. Ratification**

The Operator agrees to ratify and confirm all lawful acts done by the Trustee or the Agent within the scope of this Appendix B.

## **B7. Independent Legal Advice and Limited Unwinding Right**

The Operator acknowledges having had the opportunity to seek independent legal advice regarding this Appendix B and, if so advised by counsel, may unwind this Appendix B together with the related transaction by written notice within 2 days after signing and no longer, subject to the unwind mechanics stated in Section 10.3 of the Agreement.

## **B8. Signatures**

### **1580242 B.C. LTD., as Trustee / Investor**

Name: \_\_

Title: \_\_

**Signature:** \_\_

Date: \_\_\_\_

### **Carmodity Ltd., as Agent**

Name: \_\_

Title: \_\_

**Signature:** \_\_

Date: \_\_\_\_

### **Operator**

Name: \_\_\_\_

Signature: \_\_

Date: \_\_\_\_