



This is the 1st affidavit
of Mark Shuparski in this case and was
made on January 13, 2026

No. SE260240
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

HARDY ISLAND INVESTMENTS LTD.

PETITIONER

AND:

**COASTAL CRAFT YACHTS LTD.
1089362 B.C. LTD.
ROYAL BANK OF CANADA
SONOMA CAPITAL CORP.
HIS MAJESTY THE KING IN RIGHT OF CANADA**

RESPONDENTS

AFFIDAVIT

I, Mark Shuparski, of c/o 2500 – 700 West Georgia Street, Vancouver, businessperson, SWEAR THAT:

1. I am a director and officer of the Petitioner in this proceeding, and such I have personal knowledge of the facts sworn to herein, unless such facts are expressed to be on information and belief in which case I believe them to be true.

Indebtedness Owing to the Petitioner

2. The principal of the Respondent Coastal Craft Yachts Ltd. (the "**Debtor**") is Jeff Rhodes. I am friends with Mr. Rhodes and was a business partner of his, including with respect to the Debtor. Apart from the debts referenced herein I no longer have any direct involvement with the Debtor, but I remain aware of the Debtor's operations and business generally.
3. The Debtor is indebted to the Petitioner in the principal amount of \$1,000,000, plus accruing interest, pursuant to two separate advances.
4. First, in 2021 Pacific Capital Investments Ltd. (a company controlled by me) advanced \$500,000.00 to the Petitioner. Pacific Capital Investments Ltd. assigned that its interest in that advance to the Petitioner.
5. Attached hereto and marked as Exhibit "**A**" is a copy of the Loan Agreement dated September 21, 2021 between Pacific Capital Investments Ltd. and the Debtor (the "**2021 Loan**").

6. In connection with the 2021 Loan, the Debtor also executed a promissory note (as contemplated by the 2021 Loan agreement). I have not been able to locate that promissory note and I am making efforts to find it. However, the terms of the 2023 Loan (as defined below) were identical to the terms of the 2021 Loan, so on that basis I confirm that the 2021 Loan was repayable on demand, and that interest was payable monthly at the rate of 5% per annum, compounding and payable monthly.
7. Second, in 2023 the Petitioner advanced a further \$500,000.00 to the Debtor, which the Debtor promised to repay by way of promissory note (the "**2023 Loan**", together with the 2021 Loan, the "**Loans**"). Attached hereto and marked as Exhibit "**B**" is a copy of the promissory note in respect of the 2023 Loan.
8. At the same time as the 2023 Loan, the Debtor executed a general security agreement in favour of the Petitioner. Attached hereto and marked as Exhibit "**C**" is a copy of general security agreement executed by the Debtor.
9. Attached hereto and marked as Exhibit "**D**" is a copy of the PPR search results for the Debtor.
10. The Debtor did not pay down any principal outstanding on either of the Loans. The Debtor made interest payments up to October 31, and has not made any payments to the Petitioner since that date.
11. The Petitioner demanded repayment of the amounts owing on January 6, 2026. A copy of that demand letter is attached hereto as Exhibit "**E**".
12. The principal amounts of \$500,000 in respect of each of the Loans remains outstanding, together with interest accruing from and including November 1, 2025.
13. By return, the Debtor consented to an earlier enforcement of its security. A copy of that consent is attached hereto as Exhibit "**F**".

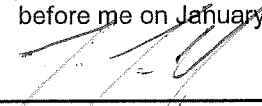
The Debtor's Business

14. The information under this heading is based on:
 - (a) My personal knowledge of the business generally; and
 - (b) With respect to recent events from December, 2025 onward, as I am advised by Mr. Rhodes.
15. The Debtor was in the business of building custom yachts. Customers would order yachts to be constructed to specifications provided, and would pay periodically as work was completed, paying the final balance in full.
16. The Debtor was an industry leader in a niche field. Accordingly, it has intellectual property, drawings, and other associated goodwill that may be of value.
17. The business involved:

- (a) Two leasehold premises, at 1178 Stewart Road in Gibsons, and 4430 Hilltop Road in Sechelt;
 - (b) Leased equipment; and
 - (c) Owned equipment.
18. The leased equipment is generally subject to purchase money security interests.
19. The owned equipment consists of hauling equipment, fabrication equipment (welding machines, small tools, etc.), woodworking equipment, and miscellaneous vehicles. I estimate it could be worth somewhere between \$150,000 and \$400,000.
20. The Debtor ceased operations in December, 2025 and terminated its staff. At the time of termination, there were four yachts, in various stages of completion, remaining at the leased premises:
- (a) Two have been removed by their customers;
 - (b) One remains at one leasehold location; and
 - (c) Construction had not commenced on the fourth, such that it is only scrap metal at this point.
21. With respect to the leases, the Hilltop lease has been terminated, with the customer whose yacht was on the premises entering into a new lease. That customer is making arrangements to complete that yacht, and I have dealt with that customer directly.
22. The lease at Stewart Road terminates at January 31, 2026, and the Debtor and the remaining yacht customer is keeping access to the premises only to preserve inventory for liquidation and sale.
23. Accordingly, the only remaining assets are:
- (a) Equipment, both owned and leased; and
 - (b) Goodwill, including intellectual property and drawings.
24. I believe the goodwill to potentially have significant value, including boat drawings. The purpose for which I am seeking the appointment of a receiver is to protect and to potentially monetize that goodwill.
25. I also understand that the Debtor:
- (a) Owes approximately \$100,000 in credit card debt to RBC; and
 - (b) Owes approximately \$100,000 in unpaid statutory withholdings.

LOAN AGREEMENT

This is Exhibit "A" referred to in the affidavit of Mark Shuparski sworn before me on January 13, 2026



A Commissioner for taking Affidavits in and for the Province of British Columbia

between

PACIFIC CAPITAL INVESTMENTS LTD.

and

COASTAL CRAFT YACHTS LTD.

Dated as of September 13, 2021

LOAN AGREEMENT

This Loan Agreement is made as of the 13th day of September, 2021, by and between Pacific Capital Investments Ltd. (the "**Lender**") and Coastal Craft Yachts Ltd., a limited corporation under the laws of the Province of British Columbia, Canada (the "**Borrower**").

RECITALS

WHEREAS, pursuant to terms more specifically described in the remainder of this Agreement, the Lender intends to loan Five Hundred Thousand Canadian Dollars (CAD\$500,000.00) (the "**Loan Amount**") to the Borrower for the purpose of the construction of a thirty-nine foot vessel to be resold by the Borrower, which shall bear builder's hull number YYN15139F122 (the "**Vessel**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant and agree as follows:

ARTICLE I. DEFINITIONS

- 1.1 "**Agreement**" means this Loan Agreement between the Borrower and the Lender.
- 1.2 "**Event of Default**" has the meaning set forth in Article V of this Agreement.
- 1.3 "**Interest Rate**" means the rate of interest that shall accrue on all disbursements made pursuant to the Note, as stated in the Note.
- 1.4 "**Loan**" has the meaning set forth in Section 2.1 below.
- 1.5 "**Loan Documents**" means the Note, the Security Agreement, the Mortgage, together with any financing statements and such other documents evidencing or securing the Borrower's obligations with respect to the Loan.
- 1.6 "**Maturity Date**" means the date of final payment defined in the Note.
- 1.7 "**Mortgage**" means, as applicable, the Mortgage (Form 7) for the Vessel, the Collateral Marine Agreement, and any replacements or amendments thereto.
- 1.8 "**Note**" means that certain Promissory Note evidencing the Loan, attached hereto as Schedule A.

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ARTICLE II. AGREEMENT TO LOAN AND REPAY

- 2.1 **Loan.** Subject to the terms and conditions of this Agreement and the Note, and so long as no Event of Default exists, the Lender agrees to loan to the Borrower, Five Hundred Thousand Canadian Dollars and 00/100 (CAD\$500,000.00) (the “**Loan**”) on date of the Note, and the Borrower agrees to repay the sum so advanced, together with interest as provided herein and in the Note. The Borrower agrees that the Lender shall deduct from the Loan Amount an amount sufficient to cover all reasonable costs, fees and expenses (including all legal, consulting and professional fees) incurred by or on behalf of the Lender in connection with the preparation, execution, perfection, administration and establishment of the Loan and that such costs, fees and expenses shall form part of the principal and will bear interest as specified in said Note.
- 2.2 **Use of Proceeds.** The proceeds of the Loan shall be used solely for the purpose of constructing the Vessel subject to and in accordance with this Agreement and the Loan Documents.
- 2.3 **Interest Rate.** Interest shall accrue as described in the Note.
- 2.4 **Repayment.** The Loan shall be repaid as described in the Note.
- 2.5 **Term.** The term of this Agreement shall commence on the date hereof and mature upon the Maturity Date, unless sooner accelerated or terminated as set forth herein or in the Note.

ARTICLE III. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Borrower hereby represents, warrants and covenants to the Lender that:

- 3.1 **Additional Documents.** The Borrower covenants to execute and deliver to the Lender such additional documents as may be reasonably required from time to time to protect the Lender’s interest under this Agreement, including without limitation, the Security Agreement, Mortgage, financing statements and related documents, as necessary to secure the Borrower’s obligations hereunder.
- 3.2 **Notices to Lender.** The Borrower covenants to, with reasonable promptness, but in all events within ten (10) business days after it has actual knowledge thereof, notify the Lender in writing of the occurrence of any act, event or condition which constitutes, or which after notice or lapse of time or both would constitute, an Event of Default. Such notification shall include a written statement of any remedial or curative actions which the Borrower proposes to undertake to cure or remedy such default.
- 3.3 **Notices to Purchaser.** Intentionally Deleted.
- 3.4 **Restrictions on Liens and Additional Debt.** The Borrower covenants that it will not: (a) grant, create or incur, or suffer to be granted, created or incurred, or to exist, any encumbrance, mortgage, pledge, lien, charge or other security interest of any kind upon any of its assets of any character, which is not discharged of record or bonded over, within sixty (60) days of imposition; and (b) grant, create or incur any indebtedness for borrowed

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funds whether secured or unsecured either directly or as a guarantor other than this Agreement unless approved by the Lender.

- 3.5 **No Liens.** The Borrower covenants that it will own all materials used to construct and build the Vessel free of liens, installment sale obligations or other encumbrances, except for those of the Lender.
- 3.6 **No Dividends or Disbursements to Shareholders.** The Borrower covenants not to pay any dividends or make disbursements to its shareholders, directors or officers (save for regular salaries in agreed amounts) while the Loan is outstanding.
- 3.7 **Progress, Sale Negotiations and Financing Reports to Lender.** The Borrower covenants that it will report to the Lender monthly on the state of completion of the Vessel, the payment for work completed, and the remaining unpaid cost to completion. The Borrower further covenants that it will provide the Lender quarterly financial statements.
- 3.8 **Registration.** The Borrower covenants that, as soon as it may be legally recorded, the Borrower will cause the Vessel to be duly recorded in the Transport Canada Vessel Registry.
- 3.9 **Compliance with Laws.** The Borrower covenants that all real or personal property constituting collateral for the Loan shall comply with all applicable federal, provincial and local laws, rules and regulations.
- 3.10 **Entity Matters.** The Borrower represents and warrants that it is a limited corporation duly organized and validly existing under the laws of the Province of British Columbia and that the Borrower has full power and authority to consummate and perform the transaction contemplated in this Agreement and in the other Loan Documents. The Borrower represents and warrants that the signatories for the Borrower are authorized to sign the Loan Documents on behalf of the Borrower and the Loan Documents are binding and enforceable on the Borrower.
- 3.11 **No Actions.** The Borrower represents and warrants that there are no actions, suits or proceedings pending, or to the Borrower's knowledge threatened against or affecting the Borrower, or involving the validity or enforceability of the Loan Documents, or before or by any governmental authority, that have not previously been disclosed to the Lender, and to the Borrower's knowledge the Borrower is not in default with respect to any judgment, decision, order, writ, injunction, decree or demand of any court or any governmental authority.
- 3.12 **No Default.** The Borrower represents and warrants that the consummation and performance of the transaction contemplated by the Loan Documents does not and shall not constitute a default under any agreement or obligation to which the Borrower is a party or any obligation by which the Borrower may be bound.

ARTICLE IV. CONDITIONS ON DISBURSEMENTS

The Lender's obligation to make this Loan is subject to the compliance by the Borrower with its covenants and agreements contained in the Loan Documents and to the satisfaction of the following:

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- 4.1 **Loan Documents.** The following Loan Documents shall have been duly executed and delivered by the parties thereto and in full force and effect, and (in the case of documents securing the Loan) duly recorded as necessary to perfect the Lender's security interest:
- (a) the Note;
 - (b) the Security Agreement;
 - (c) the Mortgage, including all documents associated therewith; and
 - (d) such financing statements, corporate certificates and resolutions, and other documents, instruments, and/or papers as may be required under this Agreement.
- 4.2 **Indemnification.** To the fullest extent permitted by law, the Borrower shall appear for, defend, indemnify and hold the Lender and their agents, employees, affiliates, related entities, and representatives harmless from all liability, loss, costs, damages, and reasonable attorneys' fees, including punitive damages, if any, arising out of the Borrower's performance of this Agreement, or the Borrower's construction of the Vessel. The Borrower shall indemnify and hold the Lender harmless from and against liens of laborers, mechanics and materialmen arising out of the Borrower's construction of the Vessel.
- 4.3 **Insurance Requirements.** The Borrower shall purchase and maintain insurance of a form and with companies with an A.M. Best Rating of at least A-, and who are authorized to do business in the Province of British Columbia. Unless otherwise stated, the required insurance shall be maintained at all times during the course of the Borrower's performance under this Agreement.

Upon execution of this Agreement, the Borrower shall furnish to the Lender, certificates of insurance evidencing the coverages set out in this section 4.3. General conditions applying to all insurance coverage are that: (1) no policy shall contain a self-insured retention; (2) no policy shall contain a deductible in excess of \$25,000; and (3) satisfaction of any or all deductibles shall be the sole responsibility of the Borrower:

- (a) **Workers' Compensation** in accordance with the laws of the Province of British Columbia, and including other applicable endorsements where legally required and commercially appropriate.
- (b) **Marine General Liability or Commercial General Liability (CGL)** Written on an occurrence basis, utilizing standard unmodified coverage forms, with per project/per location aggregate endorsements applicable to the services contemplated under this agreement. The CGL coverage shall also provide that any individual or entity that the Borrower is obligated to name as an additional insured shall automatically receive additional insured status under the CGL policy. Additional insured coverage for all liability in connection with the subject matter of this contract must extend to include product/completed operations coverage. Furthermore, products/completed operations insurance shall be maintained for a minimum period of one (1) year after final payment from the Borrower.

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The CGL coverage must provide a per occurrence limit of no less than \$4 million and a dedicated aggregate of no less than \$4 million. The “product/completed operations” aggregate shall be no less than the general aggregate.

- (c) **Builder’s Risk Insurance** in the names of the Lender and the Borrower as their interests may appear, on terms that include:
 - (i) Institute Clauses for Builder’s Risk 1/6/88
 - (ii) Institute Strike Clauses for Builders Risk 1/6/88; and
 - (iii) Institute War Clauses for Builders Risk 1/6/88.
- (d) **Protection and Indemnity** in an amount of not less than \$2,000,000 per occurrence; and including a waiver of subrogation in favour of the Lender.
- (e) **Ship Repairers Legal Liability** in an amount of not less than \$4,000,000 per occurrence and including a waiver of subrogation in favour of the Lender.
- (f) **Additional Insureds.** The Lender, and any other party reasonably requested by the Lender must be included as additional insureds under the Borrower’s commercial general liability policy. Additional insured coverage procured by the Borrower shall be primary and shall under no circumstances be construed to apply as excess or contribute with any insurance coverage independently carried by any of the additional insureds. The policies cannot contain any provision that would preclude coverage for suits/claims brought by an additional insured against a named insured.

The Borrower is responsible for notifying its insurance carriers in the event of a loss or a potential loss involving any of the additional insureds. The Borrower is also responsible for maintaining the required insurance during all times mandated under this Agreement.

Certificates of Insurance must be submitted, approved, and available to the Lender upon request and provide for 30 days’ written notice prior to cancellation, non-renewal or material modification in any policy.

In the event of a breach of the insurance procurement obligation, the Borrower must pay for the Lender’s attorneys’ fees, reasonable expenses and liability as a result of any claim or lawsuit.

- 4.4 **Additional Information.** The Borrower shall provide to the Lender such other information, documentation and certifications as the Lender may reasonably request.
- 4.5 **No Material Changes.** As a condition of each disbursement:
 - (a) there shall have been no material change in (i) any matter upon which the Borrower provided a covenant, representation or warranty set forth in Article III, or (ii) any matter set forth above in this Article IV as previously approved by the Lender, which change would, adversely affect the Lender’s security interest under the Loan Documents;
 - (b) the undisbursed portion of the Loan shall be sufficient to complete construction of the Vessel; and

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- (c) in no event shall an Event of Default described in Article V below shall have occurred and be continuing.

**ARTICLE V.
EVENTS OF DEFAULT AND REMEDIES**

5.1 **Events of Default.** The following shall constitute events of default under this Agreement (each an “**Event of Default**” for purposes of this Agreement):

- (a) Any representation, warranty or certificate given or furnished by or on behalf of the Borrower shall prove to be materially false as of the date on which the representation, warranty or certification was given; provided, however, that if any representation, warranty or certification which proves to be materially false is due to the Borrower's inadvertence (as determined by the Lender), the Borrower shall have a thirty (30) calendar day opportunity, after written notice thereof, to cause such representation, warranty or certification to be full, true, and complete in every respect;
- (b) The Borrower fails to pay any amount due under or pursuant to, or to perform any obligation required by or arising from, any one or more of the Loan Documents;
- (c) The Borrower has filed against it, a petition of bankruptcy, insolvency or similar action pursuant to provincial or Canadian law, or shall file any petition or answer seeking, consenting to, or acquiescing in, any reorganization, arrangement, readjustment, liquidation, dissolution or similar relief, and such petition shall not have been vacated within sixty (60) days after filing; or is adjudicated bankrupt or insolvent, under any present or future statute, law, regulation, either provincial or Canadian, and such judgment or decree is not vacated or set aside within sixty (60) days after such determination;
- (d) The Borrower files a petition of bankruptcy, insolvency or similar action pursuant to provincial or Canadian law, or shall file any petition or answer seeking, consenting to, or acquiescing in, any reorganization, arrangement, readjustment, liquidation, dissolution or similar relief;
- (e) The Borrower makes an assignment for the benefit of creditors, or notifies the Lender in writing its inability to pay its debts generally as they become due;
- (f) The Borrower moves the Vessel, during construction, from the Borrower's premises, further described in Section 6.10, without prior written consent of the Lender;
- (g) Any attachment, execution or lien, including a mechanics lien, is filed against any of the Borrower's assets and is not discharged or dissolved by a bond within sixty (60) days;
- (h) The Borrower consents to, or acquiesces in, the appointment of a receiver, liquidator, or trustee of itself or of the whole or any substantial part of its properties or assets, or a court of competent jurisdiction enters an order, judgment or decree appointing a receiver, liquidator or trustee of the Borrower, or of the whole or any substantial part of the property or assets of the Borrower, and such order, judgment or decree shall remain unvacated not set aside or unstayed for sixty (60) days;

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- (i) The Borrower breaches any of the other agreements, terms, covenants, or conditions which this Agreement requires the Borrower to perform and such breach continues for a period of thirty (30) days after written notice by the Lender to the Borrower; provided, however, if the nature of the breach is such that it cannot be cured by the Borrower reasonably within the period of thirty (30) days, the Borrower shall not be deemed in default of this Agreement if the Borrower commences the curing of such default within such period of thirty (30) days and prosecutes in good faith the curing of same diligently and continuously thereafter until the same is, in fact, cured; or
- (j) The Borrower makes any assignment in violation of this Agreement.

- 5.2 **Remedies Upon Events of Default.** Upon the occurrence of an Event of Default and following applicable notice and cure periods provided herein, at its option and without notice, the Lender may (but shall not be required to): (a) terminate its commitment to make any disbursement hereunder; (b) declare the indebtedness evidenced by the Note to be immediately due and payable, and pursue the Lender's other remedies under the Note, and the other Loan Documents; or (c) institute any action, suit, or other proceeding of law or equity, which the Lender shall deem necessary or proper for the protection of its interest.
- 5.3 **Remedies Cumulative.** Upon the occurrence of an Event of Default, the rights, powers, and privileges provided in this Article V and all other remedies available to the Lender under this Agreement or any of the Loan Documents or otherwise at law or in equity may be exercised by the Lender at any time and shall not constitute a waiver of any of the Lender's other rights and remedies thereunder, whether or not the indebtedness shall become due and payable, and whether or not the Lender shall have instituted action for the enforcement of its rights under any of the Loan Documents.
- 5.4 **Loan Agreement Governs.** Where compliance with a provision of this Loan Agreement would constitute an event of default under any provision in any of the Loan Documents, the Loan Agreement shall govern to avoid such default.
- 5.5 **Borrower's Waiver of Presentment, etc.** The Borrower hereby waives, to the extent permitted by applicable law: (a) all presentments, demands for performance, notices of non-performance (unless required by the terms hereof or any other Loan Document), protests, and/or notices of dishonor; (b) any requirement of diligence or promptness on the Lender's part in the enforcement of its rights under this Agreement or any Loan Document; and (c) any and all notices of every kind and description that may be required to be given by any statute or rule of law and any defense of any kind that the Borrower may now or hereafter have with respect to its liability under the Agreement or under any other Loan Document.
- 5.6 **Course of Dealing Not Operative as Waiver.** No course of dealing between the Borrower and the Lender shall operate as a waiver of the Lender's rights under this Agreement or any Loan Document. A waiver on one occasion shall not be deemed a waiver of such right or any other right hereunder. Any waiver by the Lender must be in writing and signed by the Lender to be effective. The making of a disbursement during the existence of an Event of Default shall not constitute a waiver of such Event of Default.

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**ARTICLE VI.
MISCELLANEOUS**

- 6.1 **Limitation on Assignment.** The Borrower may not assign this Agreement or the monies due under this Agreement or convey or encumber the Vessel or any interest in the Vessel or this Agreement without the Lender's prior written consent, which consent shall not be unreasonably withheld.
- 6.2 **Lender Costs.** The Borrower agrees to reimburse the Lender within ten (10) days after written demand for all reasonable out-of-pocket costs and expenses incurred by the Lender in connection with the enforcement of the Lender's rights under this Agreement or under any of the Loan Documents, including, without limitation, reasonable attorneys' fees.
- 6.3 **Further Assurances.** Whenever the Lender reasonably requests, the Borrower shall execute, acknowledge and deliver such further instruments or documents which the Lender may reasonably require to further perfect its rights and remedies under this Agreement, the Note and any other Loan Document and in all collateral therefore, provided that no greater rights or remedies are granted to the Lender thereunder without the consent of the Borrower.
- 6.4 **Construction of Documents.** To the extent that there may be any inconsistency or conflict between the terms of any other Loan Document and this Agreement, this Agreement shall govern.
- 6.5 **No Waiver.** This Agreement may be amended, waived or discharged only by a writing signed by the party against whom enforcement of the amendment, waiver or discharge is sought. Any oral waiver, change or discharge of any provision of this Agreement by any representative of the Lender shall be without authority and of no force or effect.
- 6.6 **Parties Bound.** This Agreement shall bind upon and inure to the benefit of each party and their successors and assigns. This Agreement is a contract by and between the Borrower and the Lender for their mutual benefit, and no third person shall have any right, claim or interest against any party hereto by virtue of any provision hereof.
- 6.7 **Time of the Essence.** The Borrower and the Lender agree that time is of the essence in this Agreement.
- 6.8 **Severability.** If any term or provision of this Agreement, or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- 6.9 **Choice of Law.** This Agreement and the rights and obligations of the Lender and the Borrower under this Agreement and under all documentation executed incident to this Agreement shall be governed and interpreted in accordance with the laws of the Province of British Columbia.

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- 6.10 **Notices.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered Canadian mail, postage prepaid, return receipt requested.

If to the Lender: Mark Shuparski

Pacific Capital Investments Ltd.
1800 – 510 West Georgia Street
Vancouver, BC V6B 0M3

If to the Borrower: Jeff Rhodes

Coastal Craft Yachts Ltd.
P. O. Box 860; 1038 Venture Way
Gibsons, BC V0N 1V7

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the Canadian Postal Service.

- 6.11 **Headings and Titles.** The headings and titles of the articles, sections, and subsections used in this Agreement are for convenience purposes only and shall not be used to interpret any of the provisions of this Agreement.
- 6.12 **Interpretive Provisions.**
- (a) **“Good faith”** in these Loan Documents means honesty in the conduct or transaction concerned based on the facts and circumstances known to the individual(s) acting for the party.
- (b) **“Days”** in these Loan Documents denotes calendar days unless otherwise indicated.
- 6.13 **Amendments.** No part of this Agreement or any other Loan Document may be amended unless there is a written instrument executed by the party to be charged.
- 6.14 **Recitals.** The recitals and/or whereas clauses are hereby incorporated as a part of this Agreement.
- 6.15 **Counterparts.** This Agreement may be executed in several counterparts and by facsimile or PDF document or similar electronic means, each of which shall be fully effective as an original and all of which shall together constitute this Agreement.
- 6.16 **Entire Agreement.** This Agreement, and the Loan Documents referenced herein, constitute the entire agreement and understanding between the Lender and the Borrower

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relating to the Loan and supersede all and any prior verbal or written agreements by and among the parties unless specifically referenced in this Agreement.

- 6.17 **Effective Date.** This Agreement shall be effective upon the date that it is executed by all parties.
- 6.18 **Survival.** All representations, warranties, covenants and agreements made by the Borrower in connection with this Agreement shall survive the termination of this Agreement.

[Signature page to follow]


IN WITNESS WHEREOF, the Lender and Borrower have each duly executed this Agreement as of the date first written above.


LENDER:

BORROWER:

PACIFIC CAPITAL INVESTMENTS LTD.

COASTAL CRAFT YACHTS LTD.

DocuSigned by:

243A0D0D809A423...
Per: _____
Authorized Signatory

DocuSigned by:

6EAE47CB87E1421
Per: _____
Authorized Signatory

PROMISSORY NOTE

Principal Amount: CDN \$500,000.00

October 11, 2023

To: HARDY ISLAND INVESTMENTS LTD., a company incorporated under the laws of British Columbia and having a registered and records office address of 1800 – 510 West Georgia Street, Vancouver, BC, V6B 0M3 (the "Lender")


FOR VALUE RECEIVED, COASTAL CRAFT YACHTS LTD. (the "Borrower"), a company incorporated under the laws of British Columbia and having a business address of 1038 Venture Way, Gibsons, BC, V0N 1V7, hereby PROMISES TO PAY to or to the order of the Lender at the address of the Lender hereinbefore set out, or at such other address as the Lender may in writing provide, the Principal Amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00), with 5% interest per annum compounded monthly without interest ON DEMAND.

The Borrower hereby waives presentment and notice of dishonor, protest, and notice of protest. No delay by the Lender in exercising any power or right hereunder will operate as a waiver of power or right preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatever or modification of the terms thereof will be valid unless in writing signed by the Lender and then only to the extent therein set forth.

The laws of British Columbia and the laws of Canada applicable therein will apply to the interpretation and enforcement of this Promissory Note.

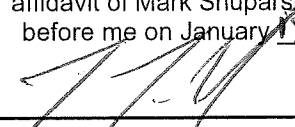
IN WITNESS WHEREOF this Promissory Note has been duly and unconditionally made, executed and delivered by the undersigned on the date above.

COASTAL CRAFT YACHTS LTD.

Per: 

Name: Jeff Rhodes

Title: Director

This is Exhibit "B" referred to in the affidavit of Mark Shuparski sworn before me on January 15, 2026

A Commissioner for taking Affidavits in and for the Province of British Columbia

This is Exhibit "C" referred to in the affidavit of Mark Shuparski sworn before me on January 11, 2026

A Commissioner for taking Affidavits in and for the Province of British Columbia

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT made effective this 11th day of October, 2023.

FROM:

COASTAL CRAFT YACHTS LTD., a company incorporated under the laws of British Columbia and having a business address of 1038 Venture Way, PO Box 860, Gibsons, British Columbia, V0N 1V7

(the "**Debtor**")

TO:

HARDY ISLAND INVESTMENTS LTD., a company incorporated under the laws of British Columbia and having a registered and records office address of 1800 – 510 West Georgia Street, Vancouver, British Columbia, V6B 0M3

(the "**Secured Party**")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges, and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments, and security interests as follows:

1A. Security Interest

As security for the payment and performance of the Obligations (as defined in paragraph 3), the Debtor, subject to the exceptions set out in paragraph 2, does:

1.1A Grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitation, all of the following now owned or in future owned or acquired by or on behalf of the Debtor:

- (a) all goods, including:
 - (i) all inventory of whatever kind and wherever situate, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods, and all packaging materials, supplies, and containers relating to or used or consumed in connection with any of the foregoing (collectively the "**Inventory**");
 - (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, and other tangible personal property of whatever nature or kind (collectively the "**Equipment**");

- (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action, and demands of every nature and kind however arising or secured including letters of credit and advices of credit, which are now due, owing, or accruing, or growing due to, or owned by, or which may in future become due, owing, or accruing, or growing due to, or owned by the Debtor (collectively, the "**Accounts**");
- (c) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights, and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Investment Property, or Money;
- (d) all Money;
- (e) all property;
- (f) the undertaking of the Debtor;
- (g) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Investment Property now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory, or Accounts;
- (h) all proceeds, renewals, and accretions, and substitutions of any of the foregoing; and
- (i) all deeds, documents, writings, papers, books of account, and other books and electronically recorded data relating to any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged, or made payable.

1.2A Mortgage and charge as and by way of a fixed and specific charge to and in favour of the Secured Party, and assign and transfer to the Secured Party and grant to the Secured Party, by way of mortgage, charge, assignment, and transfer, a security interest in all of the Debtor's right, title, and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:

- (a) is or in future becomes a fixture, or
- (b) constitutes a licence, quota, permit or other similar right or benefit, or crops.

1.3A The mortgages, charges, assignments, transfers, and security interests created or granted under paragraphs 1.1A and 1.2A of this Agreement are collectively called the "**Security Interest**", and all property, assets, interests, and undertakings (including Proceeds) subject to the Security Interest or otherwise

charged or secured by this Agreement or expressed to be charged, assigned or transferred, or secured by any instruments supplemental to this Agreement or in implementation of this Agreement are collectively called the "**Collateral**".

2. Exceptions and Definitions

The Security Interest granted by this Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or agreement to lease real property, but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

The terms "Chattel Paper", "Document of Title", "Equipment", "Consumer Goods", "Instrument", "Intangible", "Investment Property", "Proceeds", "Inventory", "Accessions", "Money", "financing statement", "financing change statement", "verification statement", and "control" shall, unless otherwise defined in this Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the British Columbia *Personal Property Security Act*, as amended.

Any reference in this Agreement to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The Collateral shall not include consumer goods of the Debtor.

The term "Proceeds", whenever used and interpreted as above, shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts, and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term "licence" means any licence or similar right at any time owned or held by the Debtor including without limitation a "licence" as defined in the Act, and the meaning of the term "crops" whenever used in this Agreement includes but is not limited to "crops" as defined in the Act.

3. Obligations Secured

This Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal or surety, and for the performance and satisfaction of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement, and whether the Debtor be bound alone or with another or others (all of which indebtedness, liability, and obligations are collectively the "Obligations").

4. Prohibitions

Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create, or permit to be created any security interest in, charge, encumbrance, or lien over, or claim against any of its property, assets, or undertakings that rank or could rank in priority to or pari passu with the Security Interest;
- (b) grant, sell, or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. Attachment

The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the Security Interest created by this Agreement, and the Security Interest shall attach at the earliest time permissible under the laws governing this Agreement;
- (b) value has been given; and
- (c) the Debtor has (or in the case of any after-acquired property, will have at the time of acquisition) rights in the Collateral.

6. Representations and Warranties

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) this Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of the Debtor's obligations hereunder, legal, valid, and binding;
- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens, and claims, save only the charges or security interests, if any, shown in any schedule to this Agreement and those consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper, or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder, and that the Debtor has fully and accurately

disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;

- (d) where the Collateral includes investment property, the Debtor has not given control of the investment property to any person; and
- (e) for goods constituting Collateral, the Debtor has in this Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

7. Covenants of the Debtor

7.1 The Debtor covenants with the Secured Party that at all times while this Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed, or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in any Schedule to this Agreement and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all costs, charges, expenses, and legal fees and disbursements that may be incurred by the Secured Party in:
 - (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, and registering this Agreement or notice of it and other documents, whether or not relating to this Agreement;
 - (iii) investigating title to the Collateral;

- (iv) taking, recovering, keeping possession of, and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
- (i) any change in the information contained in this Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Agreement, from being or becoming an accession to other property not covered by this Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets, and undertakings and to all its books of account and records for the purpose of inspection, and render all assistance necessary for such inspection; and
- (j) deliver to the Secured Party from time to time promptly upon request:
- (i) any Documents of Title, Instruments, certificated Securities, and Chattel Paper constituting, representing, or relating to Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists, and other writings relating to the Collateral for the purpose of inspecting, auditing, or copying;
 - (iii) account control agreements in respect of Investment Property, in form and substance satisfactory to the Secured Party;
 - (iv) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (v) all policies and certificates of insurance relating to the Collateral; and
 - (vi) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
 - (l) where the Collateral is Investment Property, shall prevent any party other than the Secured Party from having control over such Investment Property; and
 - (m) observe and perform the additional covenants, if any, set out in any schedule attached to this Agreement.

7.2 The Debtor covenants that at all times while this Agreement remains in effect, without the prior written consent of the Secured Party, it shall not:

- (a) declare or pay any dividends;
- (b) purchase or redeem any of its shares or otherwise reduce its share capital;
- (c) become guarantor of any obligation; or
- (d) become an endorser of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to any bank accounts of the Debtor.

7.3 Except as provided in this Agreement, without the prior written consent of the Secured Party, the Debtor shall not:

- (a) sell, lease, or otherwise dispose of the Collateral;
- (b) release, surrender, or abandon possession of the Collateral; or

- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.
- 7.4 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign, or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.
- 7.5 The Debtor covenants that to the extent that any monies, credit, or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the Security Interest is and shall remain a purchase money security interest.
- 8. Insurance**
- 8.1 The Debtor covenants that at all times while this Agreement is in effect the Debtor shall:
 - (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
 - (b) cause the insurance policy or policies required under this Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
 - (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.
- 8.2 If proceeds of any insurance required under this Agreement become payable, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Agreement.
- 8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.
- 8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Agreement to include the name of the Secured

Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of such insurance, and the production by the Secured Party to any insurer of a certified copy of this Agreement shall be its full and complete authority for so doing.

- 8.5 If the Debtor fails to maintain insurance as required by this Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. Use and Verification of Collateral

Subject to compliance with the Debtor's covenants contained in this Agreement and compliance with paragraph 11 of this Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. Investment Property

If and so long as the Debtor is in default under this Agreement and if the Collateral at any time includes Investment Property, the Debtor authorizes the Secured Party to transfer the same or any part of it into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of it, or has sole rights to it, as applicable; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. Collection of Debts

If and so long as the Debtor is in default under this Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors, and whether before or after default under this Agreement, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.

12. Income from and Interest on Collateral

- 12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.
- 12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. Increases, Profits, Payments, or Distributions

- 13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party:
- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of paragraph 12 of this Agreement and dealt with accordingly; and
 - (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.
- 13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Agreement.

14. Disposition of Monies

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Agreement, and any surplus shall be accounted for as required by law.

15. Performance of Obligations

If the Debtor fails to perform any of its obligations under this Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Agreement, and any payments made and any costs, charges, expenses, and legal fees and disbursements (on a solicitor and own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Agreement and rank prior to all claims subsequent to this Agreement.

16. Default

- 16.1 Unless waived by the Secured Party, it shall be an event of default (“**default**”) under this Agreement and the security constituted by this Agreement shall immediately become enforceable if:
- (a) any term, covenant, or representation contained in this Agreement is breached or if any representation contained in this Agreement proves to be untrue;
 - (b) any amount owed to the Secured Party is not paid when due;
 - (c) the Debtor defaults or threatens to default in payment when due or performance of any of the Obligations;
 - (d) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act*, the *Companies Creditors’ Arrangement Act*, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due;
 - (e) a receiver or receiver-manager is appointed;
 - (f) the Debtor ceases to carry on all or a substantial part of its business;
 - (g) distress, execution, or seizure of any of the Collateral occurs;
 - (h) if the Debtor is a corporation, there is a change of voting control without the Secured Party’s consent;
 - (i) the Debtor changes its name or amalgamates or merges without the Secured Party’s consent;
 - (j) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor; or
 - (k) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy.
- 16.2 In accordance with the British Columbia *Property Law Act*, the doctrine of consolidation applies to this Agreement.
- 16.3 It shall be an event of default under this Agreement and the security constituted by this Agreement shall immediately become enforceable if any term, covenant, or representation in any other agreement, contract, or other commitment of the Debtor to the Secured Party following the expiry of all applicable cure periods is breached or if default should occur under the same.

16.4 The Secured Party may, at its option:

- (a) cure any default by the Debtor under any agreement with a third party or pay or bond on appeal any judgement entered against the Debtor;
- (b) discharge taxes, liens, security interests or other encumbrances at any time levied on or existing with respect to the Collateral; and
- (c) pay any amount, incur any expense or perform any act which,

in the Secured Party's judgement, acting in good faith, is necessary or appropriate to preserve, protect, insure or maintain the Collateral and the rights of the Secured Party with respect thereto. The Lender may add any amounts so expended to the Debtor and such amounts are to be repayable by the Debtor on demand. The Secured Party shall be under no obligation to effect such cure, payment or bonding and shall not, by doing so, be deemed to have assumed any obligation or liability of the Debtor. Any payment made or other action taken by the Secured Party under this section 16.4 shall be without prejudice to any right to assert a default hereunder and to proceed accordingly.

17. Acceleration

The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default, or, in the absence of default, if the Secured Party considers or deems itself insecure or that the Collateral is in jeopardy. The provisions of this paragraph do not and are not intended to affect in any way any rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. Enforcement

18.1 Upon any default under this Agreement, the security constituted by this Agreement shall immediately become enforceable, and any floating charge will immediately attach to the Collateral. To enforce and realize on the security constituted by this Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager, or receiver-manager (the person so appointed is called the "**Receiver**") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;

- (c) preserve, protect, and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
- (d) sell, lease, or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease, or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease, or other disposition until the monies therefor are actually received; and
- (e) exercise all of the rights and remedies of a secured party under the Act.

18.2 A Receiver appointed under this Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents, or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Agreement, and in addition shall have power to carry on the business of the Debtor and for such purpose to enter upon, use, and occupy all premises owned or occupied by the Debtor in which Collateral may be situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.

18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral under this Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:

- (a) in payment of all costs, charges, and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
- (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;

- (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations; or
- (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation, or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Agreement immediately upon default, except as may be otherwise provided in the Act, and the Debtor expressly confirms that, except as may be otherwise provided in this Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Agreement.

19. Deficiency

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.

20. Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement are cumulative, and no right or remedy contained in this Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. Liability of Secured Party

The Secured Party shall not:

- (a) be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Agreement;
- (b) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable;

- (c) be bound to do, observe, or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor;
- (d) in the case of Investment Property, Instruments, or Chattel Paper, be obliged to preserve rights against other persons; or
- (e) be obliged to keep any of the Collateral identifiable,

unless it is determined by a final and non-appealable judgement or court order binding the Lender that the losses were the result of acts or omissions constituting negligence or willful misconduct of the Lender. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. Appointment of Attorney and Deed

22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse, or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances, or consents that the Debtor is obliged to sign, endorse, or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Agreement.

22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

23. Accounts

Notwithstanding any other provision of this Agreement, upon the Debtor's default, the Secured Party may collect, realize, sell, or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.

24. Appropriation of Payments

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. Liability to Advance

None of the preparation, execution, perfection, and registration of this Agreement or notice of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. Waiver

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit, or default under any paragraph of this Agreement but any such waiver of any right, benefit, or default on any occasion shall be deemed not to be a waiver of any such right, benefit, or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. Notice

Any notice, demand, or other communication required or permitted to be given under this Agreement shall be effectually made or given if delivered by prepaid private courier or by facsimile transmission to the address of each party set out below:

To the Debtor:

COASTAL CRAFT YACHTS LTD.

1038 Venture Way, Gibsons,
British Columbia, V0N 1V7
Attention: Jeff Rhodes
Email: jeff@coastalcraft.com

and a copy for information purposes to:

BERNARD LLP

1420 – 400 Burrard Street, Vancouver
British Columbia, V6C 3A6
Attention: Catherine Hofmann
Email: hofmann@bernardllp.ca

To the Secured Party:

HARDY ISLAND INVESTMENTS LTD.

1800 – 510 West Georgia Street, Vancouver,
British Columbia, V6B 0M3
Attention: M. Shuparski

or to such other address or facsimile number as either party may designate in the manner set out above. Any notice, demand, or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery or facsimile transmission.

28. Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the Security Interest, and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

29. No Merger

This Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange, or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

30. Assignment

The Secured Party may, without further notice to the Debtor, at any time assign, transfer, or grant a security interest in this Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee, or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee, or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee, or secured party, as the case may be, as the Obligations become due.

31. Satisfaction and Discharge

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses, and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

32. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, personal representatives, successors, and permitted assigns.

33. Interpretation

33.1 In this Agreement:

- (a) "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by

and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally; and

(b) "Act" means the British Columbia *Personal Property Security Act* and all regulations thereunder as amended.

33.2 Words and expressions used in this Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Agreement with or without initial capital letters and whether in the singular or the plural, unless otherwise defined in this Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm, or corporation.

33.3 Should any provision of this Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.

33.4 The headings of the paragraphs of this Agreement have been inserted for reference only and do not define, limit, alter, or enlarge the meaning of any provision of this Agreement.

33.5 This Agreement shall be governed by the laws of British Columbia.

34. Miscellaneous

34.1 The Debtor authorizes the Secured Party to file such financing statements, financing change statements, and other documents, and do such acts, matters, and things as the Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.

34.2 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.

34.3 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term "Debtor" when used in this Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the Security Interest granted by this Agreement:

- (a) shall extend to "Collateral" (as that term is defined in this Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" owned or acquired by the amalgamated company thereafter; and
- (b) shall secure the "Obligations" (as that term is defined in this Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Obligations" of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.

34.4 The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.


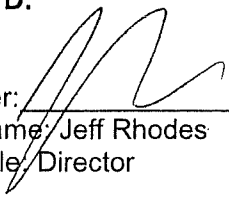
[Section 35 to immediately follow]

35. Copy of Agreement and Financing Statement

The Debtor

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement, or verification statement filed, issued, or obtained at any time in respect of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement on the date indicated below.

<p>Officer Certification</p>  <p>ALEXANDRA KING BARRISTER SOLICITOR BERNARD #1420 - 400 BURRARD STREET VANCOUVER, BC V6C 3A6 TEL: 604-681-1700 FAX: 604-681-1788</p>	<p>Execution Date</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 33%;">Y</th> <th style="width: 33%;">M</th> <th style="width: 33%;">D</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>11</td> <td>01</td> </tr> </tbody> </table>	Y	M	D	2022	11	01	<p>Debtor Signature</p> <p>COASTAL CRAFT YACHTS LTD.</p>  <p>Per: _____ Name: Jeff Rhodes Title: Director</p>
Y	M	D						
2022	11	01						

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public, or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Coastal Craft Yachts Ltd"

Search Date and Time: January 13, 2026 at 7:53:24 am Pacific time
Account Name: FARRIS LLP
Folio Number: 54422-0001-0000

TABLE OF CONTENTS

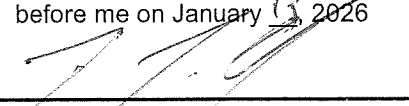
10 Matches in 8 Registrations in Report

Exact Matches: 10 (*)

Total Search Report Pages: 20

	Base Registration	Base Registration Date	Debtor Name	Page
1	<u>239838N</u>	September 14, 2021	* COASTAL CRAFT YACHTS LTD.	<u>2</u>
2	<u>822933N</u>	June 27, 2022	* COASTAL CRAFT YACHTS LTD.	<u>6</u>
3	<u>823259N</u>	June 27, 2022	* COASTAL CRAFT YACHTS LTD.	<u>8</u>
4	<u>941223N</u>	August 25, 2022	* COASTAL CRAFT YACHTS LTD.	<u>10</u>
5	<u>886674P</u>	November 2, 2023	* COASTAL CRAFT YACHTS LTD.	<u>12</u>
6	<u>821136Q</u>	December 11, 2024	* COASTAL CRAFT YACHTS LTD.	<u>14</u>
7	<u>936781Q</u>	February 12, 2025	* COASTAL CRAFT YACHTS LTD.	<u>16</u>
8	<u>543865R</u>	October 7, 2025	* COASTAL CRAFT YACHTS LTD. * COASTAL CRAFT YACHTS LTD. * COASTAL CRAFT YACHTS LTD.	<u>18</u>

This is Exhibit "D" referred to in the affidavit of Mark Shuparski sworn before me on January 13, 2026



A Commissioner for taking Affidavits in and for the Province of British Columbia



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Base Registration Number: 239838N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	September 14, 2021 at 9:37:54 am Pacific time
Current Expiry Date and Time:	September 14, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

HARDY ISLAND INVESTMENTS LTD.	Address
	1800 - 510 WEST GEORGIA STREET VANCOUVER BC V6B 0M3 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD.	Address
	BOX 860, 1038 VENTURE WAY GIBSONS BC V0N 1V0 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

AN ALUMINUM MOTOR YACHT KNOWN AS A PROJEKT 39' CARRYING BUILDER'S HULL NUMBER YYN15139F122 (THE \VESSEL\) CONSTRUCTED BY THE DEBTOR AT OR ABOUT 1038 VENTURE WAY, GIBSONS, BRITISH COLUMBIA, AND ALL ITEMS IDENTIFIED FOR USE IN THE VESSEL WHETHER SUCH ITEMS ARE NOW EXISTING OR HEREAFTER ACQUIRED, INCLUDING WITHOUT LIMITATION ALL PARTS, ACCESSORIES, ATTACHMENTS, APPURTENANCES, INSTRUMENTS, EQUIPMENT AND MACHINERY, WHETHER ON BOARD OR ASHORE AND ALL OTHER GOODS OF ANY KIND AND NATURE, WHICH MAY FROM TIME TO TIME BE INSTALLED IN AND ATTACHED TO OR FORM PART OF THE VESSEL AND ANY REPLACEMENTS, SUBSTITUTIONS, ADDITIONS OR IMPROVEMENTS THERETO AND ALL PROCEEDS THEREOF, IN ANY ,FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL INCLUDING WITHOUT LIMITATION GOODS, CHATTEL PAPER, SECURITIES, ACCOUNTS, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, LICENSES, INTANGIBLES, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

DAMON LEGAL SERVICES LTD.

Address

300 - -1122 MAINLAND STREET
VANCOUVER BC
V6B 5L1 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: January 10, 2022 at 10:09:26 am Pacific time
Registration Number: 469113N
Description:

Secured Party Information

**HARDY ISLAND INVESTMENTS
LTD.**

ADDRESS CHANGED

Address

1800 - 510 WEST GEORGIA STREET
VANCOUVER BC
V6B 0M3 Canada

Registering Party Information

DAMON LEGAL SERVICES LTD.

Address

300 - -1122 MAINLAND STREET
VANCOUVER BC
V6B 5L1 Canada

SECURED PARTY TRANSFER

Registration Date and Time: January 10, 2022 at 9:39:37 am Pacific time
Registration Number: 468989N

Secured Party Information

**HARDY ISLAND INVESTMENTS
LTD.**

ADDED

Address

BOX 49221, 1055 DUNSMUIR ST.
VANCOUVER BC
V7X 1L2 Canada

**PACIFIC CAPITAL INVESTMENTS
LTD.**

DELETED

Address

1800 - 510 WEST GEORGIA STREET
VANCOUVER BC
V6B 0M3 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

DAMON LEGAL SERVICES LTD.

Address

300 - -1122 MAINLAND STREET
VANCOUVER BC
V6B 5L1 Canada





PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

1089362 B.C. LTD.

Address

1028 GIBSONS WAY
GIBSONS BC
V0N 1V7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Base Registration Number: 823259N

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: June 27, 2022 at 11:33:27 am Pacific time
Current Expiry Date and Time: June 27, 2027 at 11:59:59 pm Pacific time
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

1089362 B.C. LTD. Address
1028 GIBSONS WAY
GIBSONS BC
V0N 1V7 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD. Address
PO BOX 860
GIBSONS BC
V0N 1V0 Canada

Vehicle Collateral

Table with 4 columns: Type, Year, Make/Model, Serial/VIN/DOT Number. Row 1: Motor Vehicle (MV), 2022, RAM / 1500, 1C6RR7FT9NS171324

General Collateral

None.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

1089362 B.C. LTD.

Address

1028 GIBSONS WAY
GIBSONS BC
V0N 1V7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Base Registration Number: 941223N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 25, 2022 at 11:13:26 am Pacific time
Current Expiry Date and Time:	August 25, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

ROYAL BANK OF CANADA

Address

36 YORK MILLS ROAD, 4TH FLOOR
TORONTO ON
M2P 0A4 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD.

Address

1038 VENTURE WAY
GIBSONS BC
V0N 1V7 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
 MISSISSAUGA ON
 L4Z 1H8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 886674P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: November 2, 2023 at 8:32:46 am Pacific time
Current Expiry Date and Time: November 2, 2028 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION

(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

HARDY ISLAND INVESTMENTS LTD. **Address**
510 GEORGIA ST W
SUITE 1800
VANCOUVER BC
V6B 0M3 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD. **Address**
1038 VENTURE WAY
PO BOX 860
GIBSONS BC
V0N 1V0 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PROPERTY.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

DAMON LEGAL SERVICES LTD.

Address

300 - 1122 MAINLAND STREET
VANCOUVER BC
V6B 5L1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Base Registration Number: 821136Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 11, 2024 at 2:17:18 pm Pacific time
Current Expiry Date and Time:	December 11, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

SONOMA CAPITAL CORP

Address
102-865 WAVERLEY STREET
WINNIPEG MB
R3T 5P4 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD.

Address
4330 HILLTOP ROAD
SECHelt BC
V0N 3A1 Canada

**COASTAL CRAFT WELDED
ALUMINUM BOATS LTD.**

Address
1038 VENTURE WAY
GIBSONS BC
V0N 1V7 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

2015 MITSUBISHI FG30N FORKLIFT WITH RELATED COMPONENTS S/N AF13G00074

ALL 2015 MITSUBISHI FG30N FORKLIFT WITH RELATED COMPONENTS S/N AF13G00074 AND RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 229350, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party

SONOMA CAPITAL CORP

Address

102-865 WAVERLEY STREET
WINNIPEG MB
R3T 5P4 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Base Registration Number: 936781Q

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: February 12, 2025 at 11:41:22 am Pacific time
Current Expiry Date and Time: February 12, 2028 at 11:59:59 pm Pacific time
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

SONOMA CAPITAL CORP Address
102-865 WAVERLEY STREET
WINNIPEG MB
R3T 5P4 Canada

Debtor Information

COASTAL CRAFT YACHTS LTD. Address
4330 HILLTOP ROAD
SECHELT BC
V0N 3A1 Canada

COASTAL CRAFT WELDED ALUMINUM BOATS LTD. Address
1038 VENTURE WAY
GIBSONS BC
V0N 1V7 Canada

Vehicle Collateral

Table with 4 columns: Type, Year, Make/Model, Serial/VIN/DOT Number. Row 1: Trailer (TR), 2025, TUI / SHUTTLE OT20, 2T9DC4SF1S1057004



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL 2025 TUI SHUTTLE OT20 8 FT 3 W X 7 FT H X 20 FT LONG CARGO OFFICE TRAILER WITH RELATED COMPONENTS 2T9DC4SF1S1057004, (2) 24 X 44 WINDOWS WITH RELATED COMPONENTS,(2) 1500 WATTS HEATERS WITH RELATED COMPONENTS AND RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 231206, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

Original Registering Party

SONOMA CAPITAL CORP

Address

102-865 WAVERLEY STREET
WINNIPEG MB
R3T 5P4 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 543865R

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	October 7, 2025 at 10:05:08 am Pacific time
Current Expiry Date and Time:	October 7, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 13, 2026 at 7:53:24 am Pacific time)

Secured Party Information

SONOMA CAPITAL CORP.

Address

201 - 3007 14TH STREET SW
CALGARY AB
T2T 3V6 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

COASTAL CRAFT YACHTS LTD.

Address

4430 HILLTOP ROAD
SECHELT BC
V0N 3A1 Canada

COASTAL CRAFT YACHTS LTD.

Address

292 GOWE POINT ROAD
GIBSONS BC
V0N 1V0 Canada

COASTAL CRAFT YACHTS LTD.

Address

PO BOX 860
GIBSONS BC
V0N 1V0 Canada

**COASTAL CRAFT WELDED
ALUMINUM BOATS LTD.**

Address

1038 VENTURE WAY
GIBSONS BC
V0N 1V7 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

2025 CANCAM C2-48ATC 4X8' CNC ROUTER W/ ACCESSORIES AND ALL RELATED COMPONENTS S/N 1611

ALL 2025 CANCAM C2-48ATC 4X8' CNC ROUTER W/ ACCESSORIES AND ALL RELATED COMPONENTS S/N 1611 AND RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 240866, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Original Registering Party

SONOMA CAPITAL CORP.

Address

201 - 3007 14TH STREET SW
CALGARY AB
T2T 3V6 Canada

Reply Attention of: Tim Louman-Gardiner
 Email Address: tig@farris.com

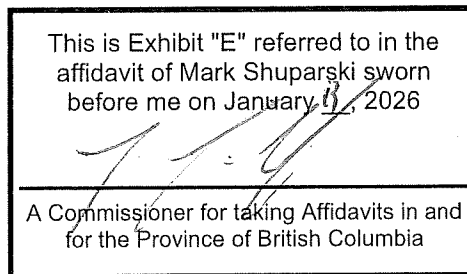
FARRIS

File No: 54422-0001-0000

January 6, 2026

BY E-MAIL AND BY REGISTERED MAIL

Coastal Craft Yachts Ltd.
 Registered and Records Office
 201-5710 Teredo Street
 PO Box 1669
 Sechelt, BC V0N 3A0



Email: jeff@coastalcraft.com

Re: Hardy Islands Investments Ltd. (the "Lender") – Coastal Craft Yachts Ltd. (the "Company")

We have been retained by the Lender concerning the outstanding indebtedness owed by the Company to the Lender pursuant to a loan agreement and promissory note dated September 13, 2021 (the "**2021 Loan**") and a promissory note dated October 11, 2023 (the "**2023 Loan**").

The Lender advises that the is in default of its obligations under the 2021 Loan, and that the 2023 Loan is repayable upon demand. Accordingly, we have been instructed to, and do hereby make demand for payment of the outstanding amounts owing to the Lender. The outstanding amounts are as follows:

- (a) Pursuant to the 2021 Loan - \$500,000.00 as of November 1, 2025 plus interest accruing at the rate of 5% per annum, compounding monthly; and
- (b) Pursuant to the 2023 Loan - \$500,000.00 as of November 1, 2025 plus interest accruing at the rate of 5% per annum, compounding monthly.

Please be advised that unless the foregoing amounts, plus accrued interest and costs to the date of payment, are paid to us on or before January 16, 2026, on behalf of the Lender, we are instructed to initiate proceedings to effect such payment, including the enforcement of the security held by the Lender for the repayment of the outstanding amounts.

Please do not make any payments to the Lender. All payments and contact are to come to our office on behalf of the Bank.

As you may be insolvent, we enclose a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Company consent to earlier enforcement of the Lender's security please sign and return the consent to our attention.

FARRIS LLP

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3
 Tel 604 684 9151 farris.com

Finally, as we represent the interests of the Lender with respect to this matter and not your interests, I encourage you to seek independent legal advice with respect to this matter and this correspondence.

Yours truly,

FARRIS LLP

Per: 

Tim Louman-Gardiner
TLG/
Encl.

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: **Coastal Craft Yachts Ltd., an insolvent person**

TAKE NOTICE THAT:

1. Hardy Islands Investments Ltd. (the "Lender"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - all present and after acquired personal property; and
 - An aluminum motor yacht known as a Projekt 39' carrying builder's hull number YYN15139F122
2. The security that is to be enforced is in the form of a Security Agreement.
3. The amounts that are outstanding are:
 - (a) 2021 Loan – \$500,000.00 as of November 1, 2025 plus interest accruing at the rate of 5% per annum, compounding monthly
 - (b) 2023 Loan – \$500,000.00 as of November 1, 2025 plus interest accruing at the rate of 5% per annum, compounding monthly
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period after this notice is sent, unless the insolvent person consents to an earlier enforcement by executing the consent attached hereto as Schedule "A" and providing a copy of same to the undersigned.

DATED this 6th day of January, 2026.

HARDY ISLANDS INVESTMENTS LTD.
 by its solicitor

Per: 

 Tim Louman-Gardiner
 Farris LLP

SCHEDULE "A"

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

To: Hardy Islands Investments Ltd. (the "Lender")

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act (Canada)* dated January 6, 2026 and consents to the Lender enforcing its security prior to the expiry of the 10-day period described therein.

DATED at _____, British Columbia, this ___ day of January, 2026

COASTAL CRAFT YACHTS LTD.

Per: Jeff Rhodes, President and Director

Reply Attention of: Tim Louman-Gardiner
 Email Address: tlg@farris.com

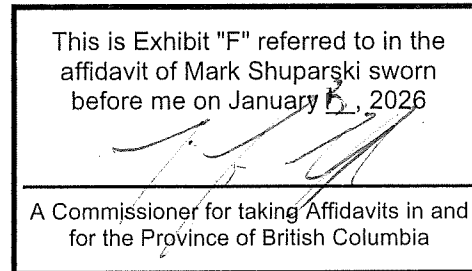
FARRIS

File No: 54422-0001-0000

January 6, 2026

BY E-MAIL AND BY REGISTERED MAIL

Coastal Craft Yachts Ltd.
 Registered and Records Office
 201-5710 Teredo Street
 PO Box 1669
 Sechelt, BC V0N 3A0



Email: jeff@coastalcraft.com

Re: Hardy Islands Investments Ltd. (the "Lender") – Coastal Craft Yachts Ltd. (the "Company")

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Please be advised that unless the foregoing amounts, plus accrued interest and costs to the date of payment, are paid to us on or before January 16, 2026, on behalf of the Lender, we are instructed to initiate proceedings to effect such payment, including the enforcement of the security held by the Lender for the repayment of the outstanding amounts.

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As you may be insolvent, we enclose a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Company consent to earlier enforcement of the Lender's security please sign and return the consent to our attention.

FARRIS LLP

25th Floor - 700 W Georgia Street Vancouver, BC Canada V7Y 1B3
 Tel 604 684 9151 farris.com

Finally, as we represent the interests of the Lender with respect to this matter and not your interests, I encourage you to seek independent legal advice with respect to this matter and this correspondence.

Yours truly,

FARRIS LLP

Per: 

Tim Louman-Gardiner
TLG/
Encl.

FORM 86

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(Subsection 244(1))

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4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period after this notice is sent, unless the insolvent person consents to an earlier enforcement by executing the consent attached hereto as Schedule "A" and providing a copy of same to the undersigned.

DATED this 6th day of January, 2026.

HARDY ISLANDS INVESTMENTS LTD.
 by its solicitor

Per: 

 Tim Louman-Gardiner
 Farris LLP

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

To: Hardy Islands Investments Ltd. (the "Lender")

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act (Canada)* dated January 6, 2026 and consents to the Lender enforcing its security prior to the expiry of the 10-day period described therein.

DATED at Gibsons, British Columbia, this 06 day of January, 2026

COASTAL CRAFT YACHTS LTD.

Per: Jeff Rhodes, President and Director

NO. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

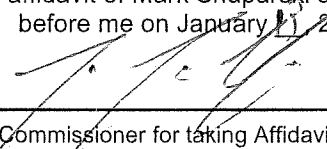
BETWEEN:

HARDY ISLAND INVESTMENTS LTD.

PETITIONER

AND:

**COASTAL CRAFT YACHTS LTD.
1089362 B.C. LTD.
ROYAL BANK OF CANADA
SONOMA CAPITAL CORP.**

This is Exhibit "G" referred to in the affidavit of Mark Shuparski sworn before me on January 11, 2026

A Commissioner for taking Affidavits in and for the Province of British Columbia

HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

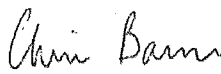
CONSENT TO ACT AS RECEIVER

BDO Canada Limited is a Licensed Insolvency Trustee under the *Bankruptcy and Insolvency Act* and is licensed to act in all provinces and territories of Canada.

BDO Canada Limited is prepared to accept an appointment as receiver and/or receiver and manager of Coastal Craft Yachts Ltd. pursuant to the terms of an Order of the Supreme Court of British Columbia.

DATED at the City of Vancouver, British Columbia, this 8th day of January, 2026.

BDO Canada Limited

Per: 

Name: Chris Bowra
Title: Senior Vice President