

2017

Hfx No. 470769

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLANTICA DIVERSIFIED  
TRANSPORTATION SYSTEMS INC.

REPORT OF  
BDO CANADA LIMITED  
IN ITS CAPACITY AS MONITOR OF  
THE APPLICANT UNDER THE *COMPANIES'S CREDITORS ARRANGEMENT ACT*  
SECOND MONITORS REPORT AND REPORT OF MATERIAL ADVERSE CHANGE

DATED JANUARY 30, 2018

**Table of Contents**

<b>Introduction</b>	<b>3</b>
<b>Activities of ADTS since the Initial Order</b>	<b>5</b>
<b>Activities of the Monitor since the Initial Order</b>	<b>6</b>
<b>Monitor's Report on the Cash Flow Statement</b>	<b>8</b>
<b>Restructuring Options</b>	<b>9</b>
<b>Material Adverse Change</b>	<b>13</b>
<b>Monitor's Recommendations</b>	<b>14</b>

**APPENDICIES**

<b>Exhibit 1</b>	<b>December 6, 2017 Insurance Policy of ADTS</b>
<b>Exhibit 2</b>	<b>Newspaper Notice of Claims Procedure and Claims Bar Date</b>
<b>Exhibit 3</b>	<b>Instruction Letter and Notice to Creditors of the Claims Procedure and Claims Bar Date</b>
<b>Exhibit 4</b>	<b>Trailer Wizards Limited Possessory Lien Initial Ruling</b>
<b>Exhibit 5</b>	<b>Atlantica Preliminary 2018 Cash Flow Budget</b>
<b>Exhibit 6</b>	<b>Atlantica Actual versus Forecast Analysis to January 26, 2018</b>
<b>Exhibit 7</b>	<b>Canada Revenue Agency 2017 Trust Audit Results dated January 11, 2018</b>
<b>Exhibit 8</b>	<b>Canada Revenue Agency 2018 Trust Audit Results dated January 11, 2018</b>

## INTRODUCTION

### Introduction

1. This report ("**Second Report**") is filed by BDO Canada Limited ("**BDO**") in its capacity as monitor (the "**Monitor**") appointed on December 7, 2017 by the Supreme Court of Nova Scotia ("**Honourable Court**") pursuant to certain relief granted to Atlantica Diversified Transportation Systems Inc. ("**ADTS**" or the "**Company**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, as amended ("**CCAA**").
2. By Order dated December 7, 2017 ("**Initial Order**") this Honourable Court issued an order which, among other things:
  - a. declared that ADTS is a company to which the CCAA applies;
  - b. appointed BDO as Monitor in the CCAA proceedings;
  - c. granted a stay up to and including the 22<sup>nd</sup> of December 2017;
  - d. authorized the Company to return to any equipment lessor any asset under lease not required for the ongoing operations of the business;
  - e. authorized the Company to dispose of redundant or nonmaterial assets not exceeding \$20,000 in value in a single transaction or \$100,000 in aggregate;
  - f. declared certain suppliers as critical suppliers and in lieu of a critical supplier charge ADTS may, with the consent of the Monitor, pay critical suppliers for goods or services rendered in the 30 days prior to the Initial Order provided the aggregate payment does not exceed \$200,000;
  - g. approved a directors' charge not to exceed \$50,000 and the benefit of the directors charge shall be limited to the extent that ADTS does not have any directors' and officers' insurance coverage or to the extent that such coverage is insufficient to pay amount indemnified in the Initial Order, and granting a second ranking charge in priority to all claims of creditors except that of Accutrac;
  - h. approved an administration charge not to exceed \$75,000 for the Monitor, Monitor's counsel, ADTS counsel and assistants, and granting a first ranking charge in priority to all claims of creditors except that of Accutrac; and
  - i. approved the continuation of the factoring relationship between ADTS and Accutrac.

3. By Order dated December 22, 2017 this Honourable Court approved, among other things, a 45-day extension to February 6, 2018 ("**First Extension Order**") and a Claims Process ("**Claims Procedure Order**").

#### Disclaimer

4. This Second Report should be read in conjunction the Monitor's Pre-Filing Report, First Report, and other materials posted by the Monitor at [www.extranets.bdo.ca/adts](http://www.extranets.bdo.ca/adts).
5. BDO has relied upon the financial records and financial information of ADTS, as well as other information supplied by senior management, accountants, auditors and financial advisors to ADTS. Where available, BDO has reviewed external records and documentation, including those provided by creditors and other stakeholders.
6. Our procedures and enquiries did not constitute an audit or review engagement. BDO has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information that has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook. BDO has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
7. BDO assumes no responsibility or liability for loss or damage occasioned by any party as a result of circulation, publication, reproduction, use or reliance on the information contained in this Second Report. Any use which any party, other than this Honourable Court, makes of this Second Report or any reliance on or a decision made based upon it is the responsibility such party.
8. The Monitor's Report on Cash Flow Statement is based on assumptions regarding future events, and actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Monitor expresses no opinion or other forms of assurance with respect to the accuracy of any financial information relied upon in preparing the Cash Flow Statement or the Second Report.
9. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to us by ADTS. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of those documents and the projections therein.
10. The Cash Flow Statement and the First Report have been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

11. Unless otherwise stated, all monetary amounts contained in this report are expressed in Canadian dollars.
12. Unless otherwise stated, references to years related to the fiscal year of ADTS, which ends on September 30.

### **Purpose**

13. The purpose of this Second Report report of the Monitor is to provide this Honourable Court with:
  - a. an update on the activities of ADTS since the date of the First Report;
  - b. an update on the Monitor's activities since the date of the First Report;
  - c. a report on actual cash flow compared to forecast as prepared by management;
  - d. the Monitor's Report of a Material Adverse Change;
  - e. the Monitor's view on ADTS' request for an extension of the stay of proceedings; and
  - f. the Monitors recommendations.

### **ACTIVITES OF ADTS SINCE THE INITIAL ORDER**

14. Since the date of the First Report, management of ADTS, in addition to managing the daily operations of the business, have included the following activities:
  - a. a review of cash flow and providing information on the cash flow, assets and liabilities of the Company as requested by the Monitor;
  - b. communications with employees, customers and suppliers in an effort to provide an update on operations and information on the CCAA proceeding;
  - c. communications with creditors regarding the CCAA proceeding;
  - d. providing assistance to legal counsel to work to resolve the outstanding shareholder issues;
  - e. working with new and existing lenders to formulate an acceptable settlement offer to Canadian Western Bank and Canadian Western Bank Leasing Inc. ("**CWB**"), the major secured creditor, with the intended settlement structured as follows:
    - i. Offer on 2016 tractors; and
    - ii. Offer on 2013, 2014, and other tractors;
  - f. supported Canada Revenue Agency ("**CRA**") in its effort to complete a trust audit of the payroll records of ADTS during early January 2018; and

- g. assisting the Monitor by providing information requested by creditors, and information required in preparation for the hearing scheduled to be heard on February 1, 2018.

15. Management of ADTS has advised that:

- a. No Critical Supplier, or key supplier, has ceased providing good and services to ADTS;
- b. No significant number of employees have left as a result of the CCAA proceeding and continued restructuring;
- c. The Accutrac factoring facility remains in place and is operating in the normal course;
- d. There has been one significant customer loss since the First Report, which is estimated to result in the loss of approximately \$80,000 in revenue per month and approximately eight (8) drivers. The Company feels the loss is manageable;
- e. Insurance coverage was cancelled just prior to the granting of the Initial Order and replacement coverage was obtained on the same terms and conditions via the Company's broker, and is in place effective December 6, 2017. A copy of the current insurance policy is attached as **Exhibit 1**. ADTS has advised that the current policy does not include directors and officer insurance coverage. The Company continues to seek directors and officer insurance coverage.

16. The Monitor is of the opinion that ADTS continues to act in good faith and with diligence.

**ACTIVITIES OF THE MONITOR SINCE THE INITIAL ORDER**

17. The Monitor has continued to communicate and provide notice to creditors in accordance with s. 23 (1)(a) of the CCAA, and paragraph 38 of the Initial Order as follows:
- a. maintain an external website at [www.extranets.bdo.ca/adts](http://www.extranets.bdo.ca/adts) which contains all statutory, stakeholder, and other relevant information related to this CCAA proceeding;
  - b. update the website frequently including the completion of the website update on December 29, 2017 to incorporate materials and decisions from the December 22, 2017 hearing;
  - c. updated the creditor list using preliminary information supplied by creditors to January 10, 2018;
  - d. published in the Chronicle Herald on January 15, 2018 a Notice of Claims Procedure and Claims Bar Date. A copy of the advertisement is attached as **Exhibit 2**;

- e. sent notice of the Claims Procedure and Instruction Letter to all known creditors on January 22, 2018. This is a 10-day delay from the timelines approved by this Honourable Court on December 22, 2017. A copy of this creditor notice is attached as **Exhibit 3**;
  - f. made an initial ruling on a possessory lien claimed by Trailer Wizards Limited ("**TWL**") as required by the First Extension Order. A copy of the initial ruling is attached as **Exhibit 4**;
  - g. posted the most current service list on the external website;
  - h. assisted, where possible, the Company and its legal advisor, and creditors in the CCAA process and effort to formulate a plan of arrangement;
  - i. continued to update the external website ([www.extranets.bdo.ca/adts](http://www.extranets.bdo.ca/adts)) by posting information stakeholders may find relevant to participation in the process; and
  - j. prepare the Monitor's Second Report and prepare for a hearing scheduled for February 1, 2018 hearing.
18. All prescribed materials filed by ADTS and the Monitor in the CCAA proceedings are available to creditors and other interested parties in electronic format on the external website. The Monitor will continue to make regular updates to ensure creditors and other interested parties are kept current.
19. The Monitor continues to respond to stakeholder and creditor inquiries in an open, transparent and timely fashion.
20. The Monitor has consulted with management and commenced its reviewed of information in support of certain of the assets, liabilities and other claims, the Cash Flow Statement, and the CCAA proceedings. The review is ongoing and is not complete as it is complicated by the poor state of the Company's financial records.
21. The Monitor has participated in numerous meetings with the Company and its legal counsel, to discuss the status of the financial issues that need to be addressed in order to put forward a plan of arrangement with creditors.
22. The Monitor has prepared the Second Report to this Honourable Court in the CCAA proceedings.
23. The Monitor has confirmed with ADTS that:
- a. employee wages and benefits have continued to be paid in the ordinary course;
  - b. no payments have been made to assistants retained by ADTS in respect of these proceedings outside of Company legal counsel and Monitor fees and legal counsel;

- c. ADTS has returned all TWL leased trailers except eight (8), of which six (6) are being using by the Company pending the resolution of a dispute between the parties. No other leased asset have been returned to a lessor;
  - d. ADTS has not disposed of any redundant or non-material assets;
  - e. Accutrac factoring agreement remains in place and is operational;
  - f. ADTS has paid the maximum allowed to Critical Suppliers for pre-filing debts incurred within the 30 days before the Initial Order as follows:
    - i. Irving Oil - \$194,074
    - ii. Best Pass - \$926
    - iii. Bridgestone - \$5,000.
24. The Monitor has reviewed the certificate of insurance confirming insurance is in place and is effective.
25. Given the current absence of directors and officers insurance, the creditors of ADTS should be advised that the Company is currently relying on the Directors charge of \$50,000 authorized in the Initial Order.

#### **MONITOR'S REPORT ON THE CASH FLOW STATEMENT**

26. The Monitor has attached as **Exhibit 5** to this report the 2018 Cash Flow Statement prepared by ADTS outlining the preliminary operating forecast for 2018. The Monitor received this information on January 29, 2018 and at the date of this report has not reviewed the report or its underlying assumptions.
27. A comparison of the actual cash inflows and outflows to the projected cash inflows and outflows for the six weeks ended January 26, 2018, together with the cash flow forecast, is attached as **Exhibit 6**. The Monitor received this information on January 29, 2018 and has not reviewed this report.
28. Monitor's review of the Company's cash receipts and disbursements is not complete. Key items in the cash flow variance analysis include:
- a. To January 26, 2018 there is a total revenue of \$1,433,450, which is a negative revenue variance of \$755,800 as compared to the cash flow forecast previously filed with the court (34.5% below forecast). This can be attributed to lower than forecast revenue over the Christmas holiday season and reduced drivers;



- b. To January 26, 2018, there is a total expense of \$1,418,313, which is a positive expense variance of \$781,293 as compared to the cash flow projection previously filed with the court. The reduction in costs can be attributed to lower than expected fuel and driver costs (less operating activity), lower than forecast repairs and maintenance costs, and lower than forecast administrative costs.
  - c. Part of the favourable expense variance is the result of post filing operating expenses that remain unpaid as the Company manages cash flow stresses due to the unfavourable revenue variance described above. The expenses understate the actual costs as the following expenses have been incurred but are unpaid as at January 26, 2018:
    - i. Fuel expenses of approximately \$45,000;
    - ii. Operating lease payments to Peterbuilt of approximately \$40,000;
    - iii. Certain Workers Compensation remittances;
    - iv. Company legal fees;
    - v. Monitor and Monitor legal fees;
    - vi. Remittances to CRA for 4 post filing payroll periods that are unpaid; and
    - vii. No payments have been made to CWB post filing for operating lease payments.
29. Revenue for the Company during this period was \$1,433,450 or \$29,254 per day compared to \$35,169 / per day reported in the First Report. Revenue has been increasing in January 2018 from \$176,621 the week of January 5, 2018 to \$230,422 the week of January 26, 2018.
30. The Cash Flow Projection continues to reflect certain aspects of the Company's preliminary plan, where known, being the return of certain trucks and trailers to secured creditors, payments to secured creditors for those tractors and trailers in use, and historical experience.
31. The 2018 Cash Flow Statement indicates that there will be sufficient funds to meet ADTS's ongoing obligations during the period as the Company works to make a plan of arrangement. This ability is dependent on continued improvements in revenue, and obtaining agreement on, and paying outstanding operating and restructuring expenses.

## **RESTRUCTURING OPTIONS**

32. ADTS continues to believe that a restructuring of the business is in the best interest of the Company's stakeholders.
33. A detailed restructuring plan has yet to be completely developed. However, the Monitor understands the Company is considering the following options – all which are subject to continued negotiation and agreements with creditors, and approval by this Honourable Court should it be required:

- a. Accutrac – Liquidate the equipment secured by the Accutrac loan, as it is redundant, and apply it against the outstanding loan balance. Negotiate a mutually agreeable compromise to the deficiency;
- b. Trailer Wizard Ltd. – The commercial dispute from the First Extension Order remains outstanding. The Monitor rendered its initial ruling on January 23, 2018 (Exhibit 4), and ADTS has paid TWL the amount as outlined by the Monitor. It is the Company’s position that all trailers accept eight (8) have been returned, with six (6) being retained until TWL releases the ADTS assets being held on a possessory lien claim. At the date of the First Report there were 27 units left to be returned (40 total units with 13 already returned as of December 4, 2017). The timelines previously disclosed to the Honourable Court contemplated a return date of January 2, 2018 with some possibility of delay. TWL disputes the Company’s position that it has returned trailers. In addition, ADTS has not made any operating lease payments and are considering a counterclaim for damages.

34. The critical stakeholders in any possible plan of arrangement are the claims of CRA and CWB.

35. The following amounts are owed to CRA to December 31, 2017:

- a. Source Deductions - \$2,239,967, comprised as follows:

Canada Revenue Agency		
101307494 RP0001		
	2017 Trust Exam	1,462,173.54
	2018 Trust Exam	777,793.74
	Expected Claim	<u>2,239,967.28</u>
	Previously reported	895,816.00
	Difference	1,344,151.28

This is a revised amount based on the outcome of a trust exam completed by CRA in early January 2018 on an expedited basis with the cooperation of the Company. This is a material difference from amounts previously report to this Honourable Court and stakeholders, being a CRA statement dated October 19, 2017 that identifies source deduction arrears of \$895,816.

CRA completed a trust exam on or around July/August 2017 (“**2017 Trust Exam**”) and identified \$1,462,173.54 in source deductions, interest and penalties outstanding. The details of that balance outstanding are attached as **Exhibit 7**.

A second trust exam was complete in January 2018 (“**2018 Trust Exam**”) and identified \$777,793.74 in source deductions, interest and penalties outstanding. The details of that

balance were provided to the Monitor on January 18, 2018 and are attached as **Exhibit 8**. Exhibit 8 is a statement of account that covers January 1, 2016 to January 7, 2018

The Monitor reviewed the 2018 Trust Exam with the CRA trust examiner on January 29, 2018. This statement is a combination of the results of the 2017 Trust Exam and the 2018 Trust Exam. To avoid double counting outstanding amounts, the results of the 2017 Trust Exam were included in the 2018 Trust Exam statement of account, but recorded in the credits to date line and amount remitted line, whether the period had been paid or remains outstanding. The results of the 2017 Trust Exam were instead added to the line Previous Arrears.

This accounts for the apparent discrepancy between the 2018 Trust Exam and the 2017 Trust Exam where the 2018 Trust Exam appears to indicate that the source deductions from calendar year 2016 have been filed and paid, with no total owing. The total credits to date for 2016, as reported on the 2018 Trust Exam, are both paid and unpaid credits.

- b. ADTS has become a weekly remitter post filing. The Company has the following post filing source deduction remittances outstanding:

21-Dec	61,249	Post filing amount included in 2018 Trust Exam			
31-Dec	31,117	Post filing amount included in 2018 Trust Exam			
05-Jan	28,038				
12-Jan	-				
19-Jan	26,882				
	147,286				

The Monitor understands that CRA is open to continuing discussions on the possible compromise of its claim only if the Company comes current on the January 2018 outstanding remittances.

- c. HST – There is no known change to the HST balances owing by ADTS. It is required to file its HST claims on a monthly basis, at the end of the following month. A statement dated November 2, 2017, which includes the September 2017 HST refund shows a balance outstanding of \$204,443.11. The creditors list shows a balance of \$460,000. The balance as calculated by ADTS is as follows:

	<u>G/L</u>
Opening payable - Sept 30, 2016	72,269.30
<b>Filing Period</b>	
October	86,195.70
November	84,304.34
December	(17,596.92)
January	(26,477.11)
February	(17,381.85)
March	(64,137.42)
April	302,958.56
May	233,021.89
June	6,679.96
July	12,063.33
August	(4,450.85)
September	(10,705.22)
October	(14,299.79)
Payment Oct 28th	(72,269.30)
Payment Nov 29th	(86,195.70)
Payment Jan 16th	(84,304.34)
Payment March 6th	(180,000.00)
Payment May 26th	(160,841.60)
Adjustment (held chqs)	401,750.36
	<u>460,583.34</u>

ADTS has advised that the last 5 months of HST filings were as follows – June 2017 - \$6,679; July 2017 - \$12,063; August 2017 (\$4,450); September 2017 (\$10,705) and October 2017 (\$14,299). The Monitor has reviewed the September 2017 and October 2017 Canada Revenue Agency Statements and have confirm those amounts as filed. November 2017 was due to be filed on December 31, 2017.

36. The Company's approach to addressing the debt to CWB can be segregated into two groups:
- a. 2013 and 2015 tractors – ADTS has been working with various parties looking to value the vehicles and purchase the CWB security agreement en-bloc. This would include those tractors seized by CWB. CWB and the Bailiff consented to ADTS and its partners to inspecting the seized tractors as part of this process. The Company has advanced conceptual offers to CWB for consideration and feedback, which CWB continues to consider. Discussion and information exchange continues, however no formal written offer has yet to be advance to CWB.

- b. 2016 tractors – ADTS is working with a new financing partner to purchase these assets. A party has been identified who would purchase these assets and lease them back to ADTS. The proceeds would be applied to the CWB loan balance and a mutually agreeable compromise sought to the deficiency. The Company have advanced conceptual offers to CWB for consideration and feedback, which CWB continues to consider. Discussion and information exchange continues, however no formal written offer has yet to be advance to CWB.
  - c. Collectively these two transactions/parties would be the foundation for an offer to purchase the debt of CWB, and the deficiency, if any, would be included in the plan of arrangement;
  - d. It is unknown whether the option outlined above will be successfully concluded. As a result, the Company is also exploring options to acquire other tractors and trailers;
37. The CCAA proceeding has establish a claims process, as is customary in proceedings such as these. That process will determine the final claim amount for each of these major creditors, and all creditors.
38. These options have been reviewed with the Monitor but have not been incorporated in the Cash Flow Statement at this time.
39. Any of the options would be presented through a plan of arrangement to be voted on by creditors.
40. The Monitor's view is that dealing with CWB in an enbloc fashion will expedite the CCAA process, minimize costs, and therefore has the potential to maximize recovery for stakeholders.

#### **MATERIAL ADVERSE CHANGE**

41. The Monitor believes that significant unfavourable variance on the source deductions owing to CRA as a result of the 2017 Trust Exam, the 2018 Trust Exam, and discussions with the CRA trust examiner on January 29, 2018 constitutes a material adverse change.
42. Paragraph 23 (1)(d)(i) of the CCAA requires the Monitor to file a report with this Honourable Court without delay after ascertaining a material adverse change in the company's projected cash flow or financial circumstances. In addition paragraph 23(1)(e) of the CCAA requires the Monitor to advise the creditors of ADTS of the filing of the report.

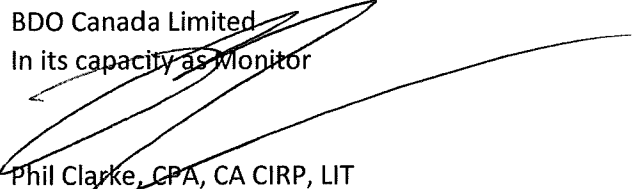
**MONITOR'S RECOMMENDATIONS**

43. The Monitor believes that granting an extension of the stay provides ADTS with the best opportunity to make progress on continuing to restructure its business affairs, to ensure a going concern operation and to make a plan of arrangement that maximize the recovery for all stakeholders.
44. The Monitor believes that the extension of the stay should be limited to 31 days, or March 9, 2018, for the following reasons:
- a. CRA has an effective veto on the Company's ability to make a plan of arrangement. Absent a significant lump sum payment on the CRA source deduction claim, a compromise of that claim, or a combination thereof, the Company is forecasting insufficient funds to pay the CRA deemed trust claim within six (6) months as required in paragraph 6 (3) of the CCAA. With the outstanding amount not likely to change, a determination within that period should be possible. CRA has advised they are open to discussions, subject to those conditions contained in this report;
  - b. Progress has been made such that the Company should be able to put forward written offers for CWB's consideration, and a determination on whether an agreement can be reached within that period should be possible;
  - c. The material adverse change is not insurmountable by the Company, however, it is a critical development that the broader stakeholder needs notice. Developments since the First Report effectively give CRA a veto on the making of any plan of arrangement.
  - d. Creditors and stakeholders will not be materially prejudiced as:
    - i. the extension would be limited to provide the Company, CRA, and CWB an opportunity to determine if a compromise is possible that would form the basis of any plan of arrangement;
    - ii. improving operations would provide creditors an opportunity to be paid for post filing operational arrears;
    - iii. Company continues to maintain and insure its assets subject to secured creditor's claims; and
    - iv. A liquidation of the Company would most likely only result in recoveries to CRA and secured creditors.
45. The Monitor is of the opinion that the amended Critical Supplier relief sought by ADTS is reasonable and appropriately restricted to Marine Atlantic's 30 day pre-filing amount.
46. The Monitors is of the opinion that progress has been made between the First Extension Order of December 22, 2017 and as of the date of this report, January 30, 2018.

47. Based on the information currently available, the Monitor believes that the relief being sought by ADTS is reasonable and appropriate, as amended above.
48. The Monitor is of the opinion that ADTS is has acted, and continues to act, in good faith.
49. The Monitor is of the opinion that ADTS has acted, and continues to act, with due diligence.
50. The Monitor is of the opinion that the stakeholders will not be materially prejudiced by the extension of the stay of proceedings by 31 days.
51. Accordingly, the Monitor respectfully recommends that this Honourable Court grant:
  - a. a further 31 day extension of the stay;
  - b. amend the critical supplier relief to allow payment to Marine Atlantic.

Respectfully submitted January 30, 2018

BDO Canada Limited  
In its capacity as Monitor



Phil Clarke, CPA, CA CIRP, LIT  
*Senior Vice President*

# **EXHIBIT 1**





Sovereign

The Sovereign General Insurance Company  
SovereignGeneral.com

## Declarations

**Policy Number:** SOV79551321

**Policy Period:**

**Effective Date:**

December 06, 2017

**Expiry Date:**

December 06, 2018

12:01 A.M. Standard Time at the mailing address of the Named Insured as stated herein

**Named Insured and Mailing Address:**

Atlantica Diversified Transportation Systems Inc.  
58 California Road  
Rexton NB  
E1H 2R5

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**Insurance Contract**

**Broker:**

Palmer Atlantic Insurance Ltd.  
Unit 1, 538 Main Street  
Hartland NB  
E7P 2N5  
Phone: (506) 375-7500

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**Premium for this Transaction:**

\$ 69,650

**The policy contains a clause that may limit the amount payable.**

Various provisions in this policy may restrict coverage. Please read your policy carefully to determine what is and is not covered. If you have any questions, please contact your broker.

Valid only if countersigned by an authorized representative of the Insurer.

*Robert Messalino*

\_\_\_\_\_  
President and Chief Executive Officer

Countersigned

*Don Anagnost*  
PALMER ATLANTIC INSURANCE LTD.

\_\_\_\_\_  
Authorized Representative

Policy No. SOV79551321  
Effective December 06, 2017 to December 06, 2018



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**POLICY CANCELLATION REQUEST**

In consideration of the return of unearned premium to follow (if any) and in accordance with the terms of the policy, this policy (Policy No. SOV79551321) is hereby cancelled and surrendered effective 12:01 AM Standard time on \_\_\_\_\_ and the renewal policy (if any has been issued for same), acknowledged to be of no effect.

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Signature of Authorized Representative for Named Insured

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Dated

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Print name and title



**Common Coverage**

**Property**

Form #	Coverage	Deductible	Co-Insurance	Amount or Limit of Insurance	Premium
S50021.3	Motor Truck Cargo - (Truckmen's) Broad Form	\$ 10,000			
	Catastrophe Limit			\$ 500,000	
	Motor Truck Cargo Blanket Limit:			\$ 250,000	
	Max Limit Per Tractor:			\$ 250,000	
	Premium Adjustment Rate: \$895/year per Tractor				
	Terminal Coverage Limit:			\$ 250,000	
	Contingent Coverage Limit:			\$ 250,000	
SM501.1	Motor Truck Cargo Coverage Extension Endorsement				
SM502.1	Per Occurrence Deductible				
S51301.1	Reefer Breakdown Extension And Warranty	\$ 10,000		\$ 500,000	

**Common Property Endorsements**

S10001.6	Insuring Agreement, Miscellaneous Clauses and Additional Conditions
S10003.3	Property Occurrence Deductible Endorsement
S10012.1	Common Exclusions
S52009.6	Data Exclusion

**Liability**

Operations of Insured: Transportation Firm

Form #	Coverage	Deductible	Amount or Limit of Insurance	Premium
S70000.11	Commercial General Liability - Occurrence Basis			
	Property Damage per Occurrence	\$ 10,000		
	Each Occurrence Limit		\$ 2,000,000	
	Aggregate Limit		\$ 2,000,000	
	Personal and Advertising Injury Limit		\$ 2,000,000	
	Medical Expense Limit		\$ 10,000	
S70000-D.11	Coverage D- Tenants' Legal Liability	\$ 1,000	\$ 100,000	

**Policy Conditions and Endorsements**

S10005.1	Short Rate Table
S10007.2	Policy and Statutory Conditions
S10013.1	Declaration of Emergency

## The Sovereign and Your Privacy

*The Sovereign General Insurance Company is committed to protecting the privacy, confidentiality, accuracy and security of the personal information that it collects, uses, retains and discloses in the course of conducting business.*

### Building Relationships with You

To provide you with the requested products, services and advice, we need certain information. The information we gather about you varies, depending on your desired product or service. "Personal information" is information – oral, electronic or written – about an identifiable individual, including (but not limited to):

- name, address and telephone number
- age, gender, family and marital status
- driving record
- previous insurance and claims experience
- medical and health information
- employment information
- banking information, credit rating, payment records
- identification numbers
- assets and liabilities

### Using Your Personal Information

As part of our relationship with you and your broker, we may collect, use and disclose your personal information to:

- identify you
- understand your needs
- confirm your application information and assess your eligibility for products and services
- provide you and/or your broker with ongoing services, establish and maintain communication, and to respond to your inquiries
- investigate and settle your claims, and determine your eligibility for benefits
- provide information that may be of interest to you
- meet regulatory requirements

We may collect, use and disclose your information with your Broker, other insurers, insurance reporting agencies, credit bureaus, and/or any other person, corporation, firm or enterprise (such as the Motor Vehicle Licensing Bureau). This would only be done as reasonably required for the purposes stated above.

Before using your information for any purpose other than those listed above, we or your Broker will explain the purpose and obtain your consent. We do not sell client lists nor do we collect, use or disclose your personal information without your consent, except where authorized by law. *We do not share your health information without your express consent.*

Except as otherwise stated in this brochure, The Sovereign General will not use your personal information to offer other products or services from us, from any companies affiliated with us or from any of our business partners. This is what your insurance Broker does for you. If you have any questions about what your insurance Broker does with your personal information, please contact their office for details on their policies and procedures with respect to your private data.

## Your Rights

As a valued client of The Sovereign General, you have the right to access your personal information and request changes if required. It is also your legal right to deny us the use or disclosure of your information for certain purposes, or to choose not to provide us with some or all of your personal information. Please note however, that we only collect information that is necessary to determine your eligibility for coverage, process your business and handle your claims. Therefore, should you exercise this right and refuse to provide the required information, we will not be able to provide you with the requested products or services.

By providing your consent for us to collect, use and disclose your personal information, we can better provide you and/or your broker with services and products, information and counsel.

The Sovereign General notifies your Broker of special product offers, contests, community events, new discounts, coverages, products and services. Be sure to let your Broker know if you would like to receive this information.

Once The Sovereign General has issued a policy to you, you may not withdraw your consent. This is necessary since we may be required to use your personal information in the normal course of handling your business, past and present. For example, we may need to contact you in the event of a claim.

## Our Commitment To You

Maintaining the security of your personal information is a top priority. Only authorized personnel have access to your information. Our systems and procedures are designed to prevent the loss, misuse, unauthorized access, disclosure, alteration, and destruction of your information. Our commitment to security is emphasized in our Code of Ethics and extends to the contracts and agreements that we sign with external suppliers and service providers. We will only retain your information for as long as required for the purposes for which it was collected and/or any legal or regulatory requirements.

## Privacy Questions, Comments or Requests?

If you have any questions, comments, concerns or requests pertaining to our privacy policy – please feel free to:

- talk to your broker
- contact us at:
  - The Sovereign General Insurance Privacy Officer
  - #140, 6700 Macleod Trail SE
  - Calgary, Alberta T2H 0L3
  - T: 1-888-887-7773: Simply follow the prompts to The Sovereign General's voice mailbox.
  - E: [privacy@sovgen.com](mailto:privacy@sovgen.com)

**Note:** For regions with a provincial Privacy legislation (except Quebec):

If a conflict arises between the Federal PIPED Act and your province's privacy legislation for events occurring within your province, then the matter will be referred to the various Privacy Commissioners for a ruling on which legislation takes precedence.

**Note:** For Quebec Residents:

If a conflict arises between Federal and Quebec privacy legislation for events occurring in the province of Quebec, then Quebec privacy legislation shall prevail.



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**Manuscript wording for: SM502.1 - Per Occurrence Deductible**  
Applicable To Form: S50021-Motor Truck Cargo - (Truckmen's) Broad Form

Words and phrases in quotation marks have special meaning as defined in this endorsement, or if not defined in this endorsement, as defined in the Policy to which this endorsement is attached

This endorsement modifies the insurance provided under the form to which it is attached.

In the event of a loss giving rise to a claim under the terms and conditions of these policies with respect to any combination of tractor, trailer and/or cargo owned, operated by on or behalf or leased to the Insured, the maximum deductible applicable to a single occurrence shall be **\$10,000.00**

This endorsement applies to policies **SOV79551321** and **NCA9504273**.

Except as otherwise provided in this endorsement all terms, limitations, exclusions, provisions and conditions of the policy shall remain unchanged.

## Motor Truck Cargo Coverage Extension Endorsement

APPLICABLE TO THE MOTOR TRUCK CARGO – (TRUCKMEN'S) BROAD FORM

Words and phrases in quotation marks have special meaning as defined in this endorsement, or if not defined in this endorsement, as defined in the form to which this endorsement is attached.

This endorsement modifies the insurance provided under the form to which this endorsement is attached and is subject to the terms, limitations, exclusions, provisions and other conditions of the policy.

1. Item 2. Property Insured is deleted and replaced with the following:  
This Form insures the liability of the Insured as Carrier under tariff, contract, bill of lading or shipping receipt issued by the Insured on lawful goods or merchandise. Coverage applies while such goods and merchandise are in due course of "transit" while such property is in the Insured's care, custody or control and while:
  - a) contained in, on or towed by vehicles described in the "Declarations", including loading and unloading; or
  - b) at terminals or depots incidental to transportation for a maximum of 30 consecutive days after the arrival of such goods and merchandise at the terminal or depot.
2. Item 3. Amounts of Insurance is deleted and replaced with the following:  
The Insurer's liability shall not exceed the Carrier's liability, subject to the limits of liability stated below:  
  
The maximum liability of the Insurer in any one loss shall not exceed:
  - a) the amount of insurance stated in the "Declarations" in respect to any one vehicle listed in the "Declarations";
  - b) the amount of insurance stated in the "Declarations" with respect to terminals or depots;
  - c) the catastrophe limit stated in the "Declarations" for all loss or damage resulting from any one accident, occurrence, casualty or disaster involving two or more vehicles and any terminals or depots; including any general average, salvage, or other charges or expenses, other than freight charges as indicated in this Form.
3. Item 6. Property Excluded is amended as follows:
  - a) Exclusions a) and g) are deleted in their entirety.
  - b) Exclusion b) is amended to read as follows:
    - b) accounts, bills, deeds, currency, evidences of debt, securities, money, bullion, notes, precious stones, jewelry, objects of art including, but not limited to, paintings and statuary;
  - c) Exclusion m) and n) are added as follows:
    - m) property while in the care, custody or control of any other carrier except as provided under Item 5. Contingent Coverage of this endorsement;
    - n) intermodal containers, unless included in the value of the shipment.
  - d) Exclusion c) is amended to read as follows:
    - c) tarpaulins, tools, repair equipment and wrapping materials plus equipment used for loading and unloading
4. Item 7. Perils Excluded is amended as follows:
  - a) Exclusion e) is deleted in its entirety.
  - b) Exclusion f) is amended to read as follows:
    - f) changes of temperature, shrinkage, loss of weight, insects, rodents, vermin or deterioration arising from delay unless such damage is caused directly by a peril not otherwise excluded;
5. **Contingent Coverage**  
Subject to the terms, limitations, exclusions, provisions and conditions of the Motor Truck Cargo – (Truckmen's) Broad Form, coverage is extended to the Insured's legal liability for direct physical loss of or damage to property of others in the care, custody or control of any other land carrier under contractual agreement with the Insured. This coverage only applies in the event that such carrier fails to indemnify the owner, consignee or shipper and the Insured is held legally liable. Nothing in this clause shall be deemed to waive or remove the Insurer's rights of subrogation in respect of such carrier.  
  
Conditions:
  - 1) The Insured must obtain and keep on file written evidence of an in-force motor truck cargo insurance policy, such as a Certificate of Insurance, issued to each land carrier hired, retained or engaged by the Insured for the Insured's liability as a carrier, prior to engaging the services of such a land carrier. Failure to comply with this condition will void coverage provided by this insurance;.
  - 2) Solely with respect to the coverage provided by this extension, Condition 16. Other Insurance is amended to read as follows:  
**16. Other Insurance**  
If other valid and collectible insurance is available to the Insured for a loss that is covered by this insurance, then this insurance will be excess over such other insurance.

The maximum liability of the Insurer for all loss or damage resulting from any one accident, occurrence, casualty or disaster, including any general average, salvage, or other charges or expenses, other than freight charges as may be covered, shall not exceed the amount of insurance stated in the "Declarations" with respect to contingent coverage.

### DEFINITION

For the purposes of this endorsement only:

"Transit" means the process of shipping or transporting the property insured starting with the point of transport where the Insured accepts the property into their care and custody for the transportation of the property to a specific destination, including normal and reasonable stops, delays and transfers along the way, and ending upon acceptance of the property by or on behalf of the consignee at the specified destination or until the Insured's interest ceases, whichever first occurs.



The Sovereign General Insurance Company

The Sovereign General Insurance Company is renowned for, and dedicated to, providing prompt, courteous and fair claims service. Our experienced and professional claims specialists are located in all of our offices across Canada.

For **after-hours emergencies**, we offer a 24-hour/7-day national emergency claims service. Our toll free number is: **1-877-268-5888**

For all **Intellect claims**, please contact MGB Claims Consultants at **1-866-824-9940**.





*Partners Making  
Wishes Come True*

The Sovereign has been a proud Platinum Partner of The Children's Wish Foundation of Canada since January 2005. Since the inception of our partnership and making Children's Wish Sovereign's "charity of choice", the company has corporately donated \$200,000 each year. To date, Sovereign and its employees have donated over \$2 million dollars to the Foundation.

Children's Wish Foundation of Canada is the largest and only all-Canadian wish granting charity dedicated to granting wishes to Canadian children between the ages of 3 and 17 who are diagnosed with a life-threatening illness. For more than 30 years, Children's Wish has worked tirelessly to grant heartfelt wishes to nearly 25,000 children and their families - that's three wishes each and every day, all year long!

## INSURING AGREEMENT, MISCELLANEOUS CLAUSES AND ADDITIONAL CONDITIONS

APPLICABLE TO ALL PROPERTY AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

Words and phrases in quotation marks have special meaning as defined in this endorsement, or if not defined in this endorsement, as defined in the form to which this endorsement attaches

The terms, limitations, exclusions, provisions and other conditions in this endorsement apply to all Property and Business Interruption coverages of this policy, except as modified or supplemented by forms or endorsements attached.

### 1. INSURING AGREEMENT

In the event that any of the insured property is lost or damaged during the policy period by the Perils Insured, the Insurer will indemnify the Insured against the direct loss or damage so caused to an amount not exceeding whichever is the least of:

- (a) the actual cash value of the property at the time and place of loss or damage;
- (b) the interest of the Insured in the property;
- (c) the amount of insurance specified on the "Declarations Page" for the lost or damaged property.

The inclusion of more than one person or interest shall not increase the Insurer's liability.

### 2. REMOVAL

If any of the insured property is necessarily removed from the "premises" to prevent loss of or damage to or further loss of or damage to such property, that part of the insurance under this policy that exceeds the amount of the Insurer's liability for any loss already incurred shall, for 30 days only, or for the unexpired term of the policy if less than 30 days, insure the property removed and any property remaining at the "premises" in the proportions which the value of the property in each of the locations bears to the value of the property in them all.

### 3. DEBRIS REMOVAL

The following extension of coverage shall not increase the applicable amounts of insurance within this policy.

- (a) **Debris Removal:** The Insurer will indemnify the Insured for expenses incurred in the removal from the "premises" of debris of the insured property, occasioned by loss of or damage to such property, for which loss or damage insurance is afforded under this form.

The amount payable under this extension shall not exceed 25% of the sum of:

- (i) the total amount payable for the direct loss of or damage to insured property; and
- (ii) the amount of the applicable deductible.

- (b) **Removal of Windstorm Debris:** The Insurer will indemnify the Insured for expenses incurred in the removal of debris or other property which is not insured by this form but which has been blown by windstorm upon the "premises".

Extensions of coverage (a) and (b) do not apply to cost or expenses:

- (i) to "clean up" "pollutants" from land or water; or
- (ii) for testing, monitoring, evaluating or assessing of an actual, alleged, potential, or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

Debris removal expense shall not be considered in the determination of actual cash value for the purpose of applying co-insurance.

### 4. ADDITIONAL EXCLUSION – BUILDING BY-LAWS

This policy does not insure against loss or damage caused directly or indirectly, proximately or remotely, arising in consequence of or contributed to by the enforcement of any by-law, regulation, ordinance or law regulating zoning or the demolition, repair or construction of buildings or structures, which by-law, regulation, ordinance or law makes it impossible to repair or reinstate the property as it was immediately prior to the loss.

### 5. DEFINITIONS

Wherever used in this endorsement:

- (a) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (b) "Coverage territory" means anywhere within Canada or the continental United States of America.
- (c) "Declarations Page" means the Declarations Page applicable to this form.
- (e) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (d) "Premises" means the entire area within the property lines and areas under adjoining sidewalks and driveways at the locations described in the "Declarations Page" and in or on vehicles within 100 metres (328 feet) of such locations.

## ADDITIONAL CONDITIONS

### I. NOTICE TO AUTHORITIES

Where the loss is due to malicious acts, burglary, robbery, theft or attempt thereof, or is suspected to be so due, the Insured shall give immediate notice to the police or other authorities having jurisdiction.

### II. NO BENEFIT TO BAILEE

It is warranted by the Insured that this insurance shall in no wise enure directly or indirectly to the benefit of any carrier or other bailee.

### III. PAIR AND SET

In the case of loss of or damage to any article or articles, whether scheduled or unscheduled, which are a part of a set, the measure of loss of or damage to such article or articles shall be a reasonable and fair proportion of the total value of the set, but in no event shall such loss or damage be construed to mean total loss of set.

### IV. PARTS

In the case of loss of or damage to any part of the insured property, whether scheduled or unscheduled, consisting, when complete for use, of several parts, the Insurer is not liable for more than the insured value of the part lost or damaged, including the cost of installation.

### V. SUE AND LABOUR

It is the duty of the Insured in the event that any property insured hereunder is lost to take all reasonable steps in and about the recovery of such property. The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with the foregoing according to the respective interests of the parties.

### VI. BASIS OF SETTLEMENT

Unless otherwise provided, the Insurer is not liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would then cost to repair or replace the same with material of like kind and quality.

### VII. SUBROGATION

The Insurer, upon making any payment or assuming liability therefore under this Policy, shall be subrogated to all rights of recovery of the Insured against others and may bring action to enforce such rights. Notwithstanding the foregoing, all rights of subrogation are hereby waived against any corporation, firm, individual or other interest with respect to which insurance is provided by this Policy. Where the net amount recovered, after deducting the costs of recovery is not sufficient to provide a complete indemnity for the loss or damage suffered, that amount shall be divided between the Insurer and the Insured in the proportion in which the loss or damage has been borne by them respectively. Any release from liability entered into by the Insured prior to loss shall not affect the right of the Insured to recover.

### VIII. TERMINATION OF INSURANCE

- (1) This contract may be terminated,
  - (a) by the Insurer giving to the Insured written notice of termination at least:
    - (i) five days before the effective date of termination if personally delivered;
    - (ii) fifteen days before the effective date of termination if the contract is terminated by registered mail for non-payment of premium; or
    - (iii) thirty days before the effective date of termination if the contract is terminated by registered mail for any other reason.
  - (b) by the Insured at any time on request.
- (2) If the contract is terminated by the Insurer,
  - (a) the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
  - (c) the written notice will be mailed or delivered to the Insured's last known mailing address.
- (3) If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The fifteen and thirty days referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the insured's postal address.

### IX. CONTRIBUTION

If on the happening of any loss or damage to property in consequence of which a claim is or may be made under this policy there is in force more than one contract covering the same interest, the liability of the Insurer hereunder shall be limited to its rateable proportion of such claim.

### X. LIBERALIZATION

If the Insurer broadens the coverage on any form during the policy period, without an additional premium charge, the Insured will automatically receive the benefit of the broadened coverage.

### XI. CANADIAN CURRENCY CLAUSE

All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency, unless otherwise stated.

### XII. TERRITORY

Unless otherwise provided, the Insurer is liable only for loss or damage caused by Perils Insured to insured property while located within the "coverage territory".

## PROPERTY OCCURRENCE DEDUCTIBLE ENDORSEMENT

This endorsement changes the policy.

In the event of a loss affecting more than one property coverage form in any one occurrence, the Deductible Clause will apply as follows:

The Insurer is liable for the amount by which the loss or damage caused by an insured peril exceeds the amount of the deductible specified on the "Declarations Page" in any one occurrence. Should any occurrence give rise to the application of more than one deductible amount for any one "premises", or to more than one property coverage form under this policy, only the highest deductible will be applied.

All other terms and conditions of the policy remain unchanged.

## SHORT RATE TABLE

Attached to and forming part of this policy. The following Table applies when termination of the policy is requested by the Insured.

Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned	Days to Expiry	% of Premium Returned
365-362	92	245-243	61	126-123	30
361-358	91	242-239	60	122-120	29
357-354	90	238-235	59	119-116	28
353-350	89	234-231	58	115-112	27
349-346	88	230-227	57	111-108	26
345-342	87	226-223	56	107-104	25
341-339	86	222-219	55	103-100	24
338-335	85	218-216	54	99-97	23
334-331	84	215-212	53	96-93	22
330-327	83	211-208	52	92-89	21
326-323	82	207-204	51	88-85	20
322-319	81	203-200	50	84-81	19
318-316	80	199-196	49	80-77	18
315-312	79	195-193	48	76-73	17
311-308	78	192-189	47	72-69	16
307-304	77	188-185	46	68-66	15
303-300	76	184-181	45	65-62	14
299-296	75	180-177	44	61-58	13
295-292	74	176-173	43	57-54	12
291-289	73	172-170	42	53-50	11
288-285	72	169-166	41	49-47	10
284-281	71	165-162	40	46-43	9
280-277	70	161-158	39	42-39	8
276-273	69	157-154	38	38-35	7
272-269	68	153-150	37	34-31	6
268-266	67	149-146	36	30-27	5
265-262	66	145-143	35	26-24	4
261-258	65	142-139	34	23-20	3
257-254	64	138-135	33	19-16	2
253-250	63	134-131	32	15-12	1
249-246	62	130-127	31	11-0	0

## STATUTORY CONDITIONS

These Statutory Conditions apply to policyholders and policies covering risks in jurisdictions other than Alberta, British Columbia and Quebec.

If any condition below or in the policy, contains a variation, omission or an addition to the Statutory Condition established by the applicable provincial or territorial statute, then the interpretation most favourable to the Insured shall prevail.

All of the Statutory Conditions below apply to the peril of fire and, as modified or supplemented by forms or endorsements attached, apply as Policy Conditions to all other perils insured by property coverage on this policy.

### 1. MISREPRESENTATION

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### 2. PROPERTY OF OTHERS

Unless otherwise specifically stated in the contract, the Insurer is not liable for loss or damage to property owned by any person other than the Insured, unless the interest of the Insured in such property is stated in the contract.

### 3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy Act (Canada) or change of title by succession, by operation of law, or by death.

### 4. MATERIAL CHANGE

Any change material to the risk and within the control and knowledge of the Insured avoids the contract as to the part affected by the change, unless the change is promptly notified in writing to the Insurer or its local agent. The Insurer, when so notified, may return the unearned portion, if any, of the premium paid and cancel the contract. Alternatively, the Insurer may notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within fifteen days of the receipt of the notice, pay to the Insurer an additional premium. In default of such payment the contract is no longer in force and the Insurer shall return the unearned portion, if any, of the premium paid.

### 5. TERMINATION

- (1) This contract may be terminated:
  - (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days written notice of termination personally delivered;
  - (b) by the Insured at any time on request.
- (2) Where this contract is terminated by the Insurer:
  - (a) the Insurer shall refund the excess of premium actually paid by the Insured over the proportional premium for the expired time, but in no event shall the proportional premium for the expired time be deemed to be less than any minimum retained premium specified; and
  - (b) the refund shall accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund shall be made as soon as practicable.
- (3) Where this contract is terminated by the Insured, the Insurer shall refund as soon as practicable the excess of the premium actually paid by the Insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be considered to be less than any minimum retained premium specified.
- (4) The refund may be made by money, postal or express company money order, or cheque payable at par.
- (5) The 15 days mentioned in clause (a) of sub-paragraph (1) of this condition starts to run on the day following the receipt of the registered letter at the post office to which it is addressed.

### 6. REQUIREMENTS AFTER LOSS

- (1) Upon the occurrence of any loss of or damage to the insured property, the Insured shall, if the loss or damage is covered by the contract, in addition to observing the requirements of conditions 9, 10 and 11,
  - (a) immediately give notice of the loss or damage in writing to the Insurer;
  - (b) deliver as soon as practicable to the Insurer a proof of loss verified by a statutory declaration,
    - (i) giving a complete inventory of the lost or damaged property and showing in detail quantities, costs, actual cash value and particulars of amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through any willful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) showing the amount of other insurances and the names of other Insurers,
    - (v) showing the interest of the Insured and of all others in the property with particulars of all mortgages, liens, encumbrances and other charges upon the property,
    - (vi) showing any changes in title, use, occupation, location, possession or exposures of the property since the issue of the contract,
    - (vii) showing the place where the insured property was located at the time of loss or damage.

- (c) If required, give a complete inventory of undamaged property, showing in detail quantities, cost, actual cash value;
- (d) If required and if practicable, produce accounts, warehouse receipts, stock lists, invoices and other pertinent records, verified by statutory declaration, as well as any relevant contracts or agreements with others.
- (2) The evidence furnished under clauses (1)(c) and (d) of this condition shall not be considered proofs of loss within the meaning of conditions 12 and 13.
- 7. FRAUD**  
Any fraud or willfully false statement in a statutory declaration in relation to any of the above particulars vitiates the claim of the person making the declaration.
- 8. WHO MAY GIVE NOTICE AND PROOF**  
In case of absence or inability of the Insured to give notice of loss or make proof of loss, notice of loss may be given and proof of loss may be made by the agent of the Insured. If the Insured fails to give notice immediately, the notice of loss may be given, and the proof of loss may be made by a person to whom any part of the insurance money is payable.
- 9. SALVAGE**
- (1) The Insured, in the event of any loss or damage to any insured property, shall take all reasonable steps to prevent further damage to such property and to prevent damage to other insured property, including, if necessary, removal to a secure location.
  - (2) The Insurer shall contribute proportionately, according to the respective interests of the parties, towards any reasonable and proper expenses in connection with steps taken by the Insured and required under subsection (1) of this condition.
- 10. ENTRY, CONTROL, ABANDONMENT**  
After loss or damage to insured property, the Insurer has an immediate right of access and entry by accredited agents sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage. After the Insured has secured the property, the Insurer has a further right of access and entry sufficient to enable its agents to make appraisal or particular estimate of the loss or damage. The Insurer is not entitled to the control or possession of the insured property. There can be no abandonment of insured property to the Insurer without the Insurer's consent.
- 11. APPRAISAL**  
In the event of disagreement as to the value of the insured property, or the value of the property saved or the amount of the loss, those questions shall be determined by appraisal as provided under the *Insurance Act* before there can be any recovery under this contract, whether the right to recover on the contract is disputed or not, and independently of all other questions. There shall be no right to an appraisal until a specific demand for one is made in writing and until proof of loss has been delivered.
- 12. WHEN LOSS PAYABLE**  
The loss is payable within sixty days after completion of the proof of loss, unless the contract provides for a shorter period.
- 13. REPLACEMENT**
- (1) The Insurer, instead of making payment, may repair, rebuild, or replace the property lost or damaged, giving written notice of its intention to do so within thirty days after receipt of the proof of loss.
  - (2) In that event, the Insurer shall commence to repair, rebuild, or replace the property within forty-five days after receipt of the proof of loss, and shall proceed with all due diligence to completion of the work.
- 14. ACTION**  
Every action or proceeding against the Insurer for the recovery of any claim shall be absolutely barred unless commenced within one year after the loss or damage occurs, unless legislation provides otherwise.
- 15. NOTICE**  
Any written notice to the Insurer may be sent by registered mail or delivered to the chief agency or any office of the Insurer in Canada. Written notice may be given to the Insured by letter personally delivered to the Insured or by registered mail addressed to the Insured at the Insured's latest post office address as notified to the Insurer. In this condition, the expression "registered" means registered in or outside Canada.
- N.B.** To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions apply to all of the perils insured by this policy and to the liability coverage, except where such conditions and provisions may be modified or supplemented by forms or endorsements attached to this policy. A copy of the General Conditions and Provisions is available on request from the Insurer.

## POLICY CONDITIONS

(Applicable only to Alberta and British Columbia)

The following applies where the Insured is domiciled or where the insured property is located in Alberta or British Columbia.

### LIMITATION OF ACTION

Every action or proceeding against an Insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

### RECOVERY BY INNOCENT PERSONS

- (1) Where this policy contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an Insured or any other person, the exclusion applies only to the claim of a person:
  - (a) whose act or omission caused the loss or damage,
  - (b) who abetted or colluded in the act or omission,
  - (c) who
    - (i) consented to the act or omission, and
    - (ii) knew or ought to have known that the act or omission would cause the loss or damage, or
  - (d) who is in a class prescribed by regulation.
- (2) Nothing in section (1) allows a person whose property is insured under the contract to recover more than their proportionate interest in the lost or damaged property.
- (3) A person whose coverage under a contract would be excluded but for section (1) must comply with any requirements prescribed by regulation.

Coverage provided by this condition only applies to the extent of coverage provided under the relevant legislation set out in the applicable provincial Insurance Act.

## STATUTORY CONDITIONS

(Applicable only to Alberta and British Columbia)

These Statutory Conditions apply where the Insured is domiciled or where the insured property is located in Alberta or British Columbia and are applicable to all coverages unless otherwise indicated. If any condition below or in the policy, contains a variation, omission or an addition to the Statutory Condition established by the applicable provincial, then the interpretation most favourable to the Insured shall prevail.

### 1. MISREPRESENTATION

(applicable to insurance against loss or damage to property only)

If a person applying for insurance falsely describes the property to the prejudice of the Insurer, or misrepresents or fraudulently omits to communicate any circumstance that is material to be made known to the Insurer in order to enable it to judge the risk to be undertaken, the contract is void as to any property in relation to which the misrepresentation or omission is material.

### 2. PROPERTY OF OTHERS

The Insurer is not liable for loss or damage to property owned by a person other than the Insured unless:

- (1) otherwise specifically stated in the contract, or
- (2) the interest of the Insured in that property is stated in the contract.

### 3. CHANGE OF INTEREST

The Insurer is liable for loss or damage occurring after an authorized assignment under the Bankruptcy and Insolvency Act (Canada) or a change of title by succession, by operation of law, or by death.

### 4. MATERIAL CHANGE IN RISK

- (1) The Insured must promptly give notice in writing to the Insurer or its agent of a change that is:
  - (a) material to the risk, and
  - (b) within the control and knowledge of the Insured.
- (2) If an Insurer or its agent is not promptly notified of a change under subparagraph (1) of this condition, the contract is void as to the part affected by the change.
- (3) If an Insurer or its agent is notified of a change under subparagraph (1) of this condition, the Insurer may:
  - (a) terminate the contract in accordance with Statutory Condition 5, or
  - (b) notify the Insured in writing that, if the Insured desires the contract to continue in force, the Insured must, within 15 days after receipt of the notice, pay to the Insurer an additional premium specified in the notice.
- (4) If the Insured fails to pay an additional premium when required to do so under subparagraph (3) (b) of this condition, the contract is terminated at that time and Statutory Condition 5 (2) (a) applies in respect of the unearned portion of the premium.



**5. TERMINATION OF INSURANCE**

- (1) This contract may be terminated
- (a) by the Insurer giving to the Insured 15 days' notice of termination by registered mail or 5 days' written notice of termination personally delivered, or
  - (b) by the Insured at any time on request.
- (2) If the contract is terminated by the Insurer,
- (a) the Insurer must refund the excess of premium actually paid by the Insured over the prorated premium for the expired time, but in no event may the prorated premium for the expired time be less than any minimum retained premium specified in the contract, and
  - (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.
- (3) If the contract is terminated by the Insured, the Insurer must refund as soon as practicable the excess of premium actually paid by the Insured over the short rate premium for the expired time specified in the contract, but in no event may the short rate premium for the expired time be less than any minimum retained premium specified in the contract.
- (4) The 15 day period referred to in subparagraph (1) (a) of this condition starts to run on the day the registered letter or notification of it is delivered to the Insured's postal address.

**6. REQUIREMENTS AFTER LOSS**

- (applicable to insurance against loss or damage to property only)
- (1) On the happening of any loss or damage to insured property, the Insured must, if the loss or damage is covered by the contract, in addition to observing the requirements of Statutory Conditions 9,
- (a) immediately give notice in writing to the Insurer,
  - (b) deliver as soon as practicable to the Insurer a proof of loss in respect of the loss or damage to the insured property verified by statutory declaration,
    - (i) giving a complete inventory of that property and showing in detail quantities and costs of that property and particulars of the amount of loss claimed,
    - (ii) stating when and how the loss occurred, and if caused by fire or explosion due to ignition, how the fire or explosion originated, so far as the Insured knows or believes,
    - (iii) stating that the loss did not occur through any wilful act or neglect or the procurement, means or connivance of the Insured,
    - (iv) stating the amount of other insurances and the names of other Insurers,
    - (v) stating the interest of the Insured and of all others in that property with particulars of all liens, encumbrances and other charges on that property,
    - (vi) stating any changes in title, use, occupation, location, possession or exposures of the property since the contract was issued, and
    - (vii) stating the place where the insured property was at the time of loss,
  - (c) if required by the Insurer, give a complete inventory of undamaged property, showing in detail quantities and cost of that property, and
  - (d) if required by the Insurer and if practicable,
    - (i) produce books of account and inventory lists,
    - (ii) furnish invoices and other vouchers verified by statutory declaration, and
    - (iii) furnish a copy of the written portion of any other relevant contract.
- (2) The evidence given, produced or furnished under subparagraphs (1) (c) and (d) of this condition must not be considered proofs of loss within the meaning of Statutory Conditions 12 and 13.

**7. FRAUD**

(applicable to insurance against loss or damage to property only)  
 Any fraud or wilfully false statement in a statutory declaration in relation to the particulars required under Statutory Condition 6 invalidates the claim of the person who made the declaration.

**8. WHO MAY GIVE NOTICE AND PROOF**

(applicable to insurance against loss or damage to property only)  
 Notice of loss under Statutory Condition 6 (1) (a) may be given and the proof of loss under Statutory Condition 6 (1) (b) may be made

- (1) by the agent of the Insured, if
  - (a) the Insured is absent or unable to give the notice or make the proof, and
  - (b) the absence or inability is satisfactorily accounted for, or
- (2) by a person to whom any part of the insurance money is payable, if the Insured refuses to do so or in the circumstances described in clause (a) of this condition.

**9. SALVAGE**

(applicable to insurance against loss or damage to property only)

- (1) In the event of loss or damage to insured property, the Insured must take all reasonable steps to prevent further loss or damage to that property and to prevent loss or damage to other property insured under the contract, including, if necessary, removing the property to prevent loss or damage or further loss or damage to the property.
- (2) The Insurer must contribute on a prorated basis towards any reasonable and proper expenses in connection with steps taken by the Insured under subparagraph (1) of this condition.

**10. ENTRY, CONTROL, ABANDONMENT**

(applicable to insurance against loss or damage to property only)

After loss or damage to insured property, the Insurer has

- (1) an immediate right of access and entry by accredited representatives sufficient to enable them to survey and examine the property, and to make an estimate of the loss or damage, and
- (2) after the Insured has secured the property, a further right of access and entry by accredited representatives sufficient to enable them to appraise or estimate the loss or damage, but
  - (a) without the Insured's consent, the Insurer is not entitled to the control or possession of the insured property, and
  - (b) without the Insurer's consent, there can be no abandonment to it of the insured property.

**11. IN CASE OF DISAGREEMENT**

(applicable to insurance against loss or damage to property only)

- (1) In the event of disagreement as to the value of the insured property, the value of the property saved, the nature and extent of the repairs or replacements required or, if made, their adequacy, or the amount of the loss or damage, those questions must be determined using the applicable dispute resolution process set out in the *Insurance Act*, whether or not the Insured's right to recover under the contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
  - (a) a specific demand is made for it in writing, and
  - (b) the proof of loss has been delivered to the Insurer.

**12. WHEN LOSS PAYABLE**

(applicable to insurance against loss or damage to property only)

Unless the contract provides for a shorter period, the loss is payable within 60 days after the proof of loss is completed in accordance with Statutory Condition 6 and delivered to the Insurer.

**13. REPAIR OR REPLACEMENT**

(applicable to insurance against loss or damage to property only)

- (1) Unless a dispute resolution process has been initiated, the Insurer, instead of making payment, may repair, rebuild, or replace the insured property lost or damaged, on giving written notice of its intention to do so within 30 days after receiving the proof of loss.
- (2) If the Insurer gives notice under subparagraph (1) of this condition, the Insurer must begin to repair, rebuild, or replace the property within 45 days after receiving the proof of loss, and must proceed with all due diligence to complete the work within a reasonable time.

**14. NOTICE**

- (1) Written notice to the Insurer may be delivered at, or sent by registered mail to, the chief agency or head office of the Insurer in the province.
- (2) Written notice to the Insured may be personally delivered at, or sent by registered mail addressed to, the Insured's last known address as provided to the Insurer by the Insured.

**N.B.** To the extent that the Civil Code of the Province of Quebec is applicable to this contract General Conditions and Provisions as set out in the Civil Code of the Province of Quebec apply. These General Conditions and Provisions apply to all of the perils insured by this policy and to the liability coverage, except where such conditions and provisions may be modified or supplemented by forms or endorsements attached to this policy. A copy of the General Conditions and Provisions is available on request from the Insurer.

## COMMON EXCLUSIONS

Words and phrases in quotation marks have special meaning as defined below

The following exclusions apply to all Property, Business Interruption and Crime forms and endorsements forming part of this policy, and if applicable, will replace any existing exclusion that may be contained in such form or endorsement.

### 1. FUNGI AND SPORES

This policy does not insure:

- (a) loss or damage consisting of or caused directly or indirectly, in whole or in part, by any "fungi" or "spores".  
This exclusion does not apply:
  - (i) if the "fungi" or "spores" are directly caused by a peril not otherwise excluded in this policy; or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- (b) the cost or expense for any testing, monitoring, evaluating or assessing of "fungi", or "spores".

### 2. NUCLEAR

This policy does not insure against loss or damage caused directly or indirectly:

- (a) by any nuclear incident (as defined in the Nuclear Liability Act or any other nuclear liability act, law or statute, or any amending law) or nuclear explosion, except for ensuing loss or damage which results directly from fire, lightning or explosion of natural, coal or manufactured gas, all as described in the form to which this endorsement attaches;
- (b) by contamination by radioactive material.

### 3. POLLUTION

This policy does not insure against:

- (a) loss or damage caused directly or indirectly by any actual or alleged spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants", nor the cost or expense of any resulting "clean up". This exclusion does not apply:
  - (i) if the spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants" is directly caused by a peril not otherwise excluded in this policy; or
  - (ii) to loss or damage caused directly by a resultant peril not otherwise excluded in this policy;
- (b) cost or expense for any testing, monitoring, evaluating or assessing of an actual, alleged, potential or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants".

### 4. TERRORISM

This policy does not insure loss or damage caused directly or indirectly, in whole or in part, by "terrorism" or by any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage. If any portion of this exclusion is found to be invalid, unenforceable or contrary to statute, the remainder shall remain in full force and effect.

### 5. WAR OR MILITARY ACTION

This policy does not insure against loss or damage caused directly or indirectly in whole or in part by war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies whether or not there are one or more other causes or events (whether covered or not) that contribute concurrently or in any sequence to the occasioning of the loss or damage.

### DEFINITIONS

Wherever used in this endorsement:

- (a) "Clean up" means the removal, containment, treatment, decontamination, detoxification, stabilization, neutralization or remediation of "pollutants", including testing which is integral to any of these processes.
- (b) "Fungi" includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxigenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens, or pathogens.
- (c) "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including odour, vapour, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- (d) "Spores" includes, but is not limited to, one or more reproductive particles or microscopic fragments produced by, emitted from or arising out of any "fungi".
- (e) "Terrorism" means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.

All other terms and conditions of the policy remain unchanged

**DECLARATION OF EMERGENCY ENDORSEMENT**  
EXTENSION OF TERMINATION or EXPIRY DATE

This endorsement changes the policy.

The effective date of termination of this policy by the Insurer or the expiry date of this policy is extended, subject to the conditions and definitions set out below, as follows when an "emergency" is declared by a Canadian public authority designated by statute for the purpose of issuing such an order.

1. The "emergency" must have a direct effect or impact on:
  - (i) the Insured, the insured site or insured property located in the declared emergency area; or
  - (ii) the operations of the Insurer or its agent/broker located in the declared emergency area.
- 2.A. Any time limitation described in the Termination condition of this policy, with respect to termination of this policy by the Insurer, will not continue to run until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
- 2.B. If this policy is due to expire during an "emergency", it will continue in force until the "emergency" is terminated plus the lesser of:
  - (i) 30 days; or
  - (ii) the number of days equal to the total time the "emergency" order was in effect.
3. In no event shall the total term of this extension exceed 120 consecutive days.

The Insured agrees to pay the pro rata premium earned for the additional time the Insurer remains on risk as a result of the above.

"Emergency" means the first statutory "declaration" of an emergency:

- (a) with respect to a situation or an impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident or an act whether intentional or otherwise; or
  - (b) as provided for by the relevant governing legislation if different from a),
- but does not include any subsequent statutory "declaration(s)" that may be issued relating to the same event.

All other terms and conditions of the policy remain unchanged.

## MOTOR TRUCK CARGO – (TRUCKMEN'S) BROAD FORM

### 1. Indemnity Agreement

This Form covers property of all kinds of lawful goods and merchandise, except as provided in Clauses 5 and 6 hereunder, for liability of the Insured as carrier, except as herein excluded, for direct physical loss or damage to the property of others.

### 2. Property Insured

This Form insures the liability of the Insured as Carrier, Bailee or Warehouseman under tariff, contract, bill of lading or shipping receipt issued by the Insured on lawful goods or merchandise. Coverage applies while such goods and merchandise are in the custody and control of the Insured and while being loaded for shipment, are in transit and until unloaded, while contained in or on vehicles described in the "Declarations".

All liability under this Form shall cease immediately upon the termination of unloading of said goods and merchandise at their final destination or upon the termination of this Policy, whichever first occurs.

### 3. Amounts of Insurance

The Insurer's liability shall not exceed the Carrier's liability, subject to the limits of liability stated below:

The maximum liability of the Insurer in any one loss shall not exceed 100% of the amount(s) of insurance stated in the "Declarations" in respect to:

- a) any one vehicle listed in the "Declarations" of this Policy;
- b) the catastrophe limit stated in the "Declarations" for all loss or damage resulting from any one accident, occurrence, casualty or disaster involving two or more vehicles;

including any general average, salvage, or other charges or expenses, other than freight charges as indicated in this Form.

### 4. Deductible

The Insurer is liable for the amount by which the loss or damage caused by any of the perils insured against exceeds the amount of the deductible specified in the "Declarations" in any one occurrence. Should one occurrence give rise to the application of more than one deductible, only the largest individual deductible amount shall apply.

### 5. Perils Insured

This Form, except as herein provided, insures against all risks of direct physical loss of or damage from any external cause for which the Insured is held liable.

This Form also covers:

- a) expenses necessarily incurred by the Insured in the removal of debris of the property occasioned by loss or damage not otherwise excluded hereunder. Insurer's total liability under this Form for loss, destruction or damage to property and removal of debris shall not exceed the amount of insurance applying under this Form to the property destroyed or damaged;
- b) freight charges due the Insured for not more than \$5,000 for transporting the property if such charges are rendered uncollectible as a direct result of loss or damage to the property not otherwise excluded hereunder.

### 6. Property Excluded

This Form does not insure loss or damage to:

- a) furs, narcotics, manufactured tobacco products, wines, liquors or other alcoholic beverages unless such items are endorsed hereon;
- b) patterns, templates, blueprints, accounts, bills, deeds, currency, evidences of debt, securities, money, bullion, notes, precious stones, jewelry, paintings, statuary, other works of art or articles of virtue;
- c) trucks, trailers or other "vehicles" or the appurtenances thereof, tarpaulins, tools, repair equipment, wrapping materials and equipment for loading and unloading;
- d) animals except against accident causing death or rendering death necessary;
- e) shipments carried gratuitously or as an accommodation;
- f) breakage of eggs unless directly caused by collision, upset or overturn of the transporting "vehicle" and then only if the loss amounts to 50% of the value of the shipping package (each package to be considered as separately insured) but the Insurer shall in no event be liable for such loss in excess of 25% of the amount insured hereunder on the contents of the "vehicle" involved;
- g) shipments in or on any trailer or detachable truck body until such trailer or detachable truck body is actually attached to or loaded on the chassis of a motor truck, and then only while such trailer or detachable truck body shall remain attached to or loaded on the chassis of such motor truck;
- h) property illegally acquired, kept, stored or transported; property seized or confiscated for breach of any law or by order of any public authority;
- i) shipment(s) while in the custody of any other carrier if the Insured's rights of subrogation against such other carrier have been waived or made unenforceable;
- j) property caused by neglect of the Insured to use all reasonable means to save and preserve the property insured at and after any loss or damage insured against hereunder;
- k) property located:
  - 1) in or on any premises owned, leased, rented or occupied by the Insured;
  - 2) in any garage or other building where the "vehicles" described herein are usually kept.except this exclusion does not apply to property located in or on premises specified in the "Declarations";
- l) goods while waterborne, unless caused by the stranding, sinking, burning or collision of any regular ferry including general average and salvage charges.

**7. Perils Excluded**

This Form does not insure against loss or damage caused directly or indirectly:

- a) by misappropriation, secretion, conversion, infidelity or any dishonest, fraudulent or criminal act on the part of the Insured or any other party of interest, employees or agents of the Insured, or any person to whom the property may be entrusted;
- b) by or resulting from strikes, lockouts, labour disturbances, riots, civil commotion, or the acts of any person or persons taking part in any such occurrence or disorder;
- c) due to wear and tear, gradual deterioration, latent defect, inherent vice, or mechanical or electrical breakdown or derangement;
- d) by delay, loss of profit, loss of use, loss of market, or other consequential loss;
- e) by shifting of load, poor packing or rough handling; nor for loss or damage caused by contact with oil or grease or any other commodity, unless such damage is caused directly by a peril not otherwise excluded;
- f) by breakage, marring, scratching, crushing, wetness or dampness, dryness of atmosphere, changes of temperature, shrinkage, evaporation, leakage of liquids, loss of weight, exposure to light, contamination, insects, rodents, vermin, or as the result of being spotted, discoloured, moulded, rusted, corroded, frosted, frozen, rotted, soured, steamed, heated, or changed in flavour, colour, texture or finish unless such damage is caused directly by a peril not otherwise excluded;
- g) by change of temperature resulting from breakdown, failure or inefficient operation of any refrigeration, cooling or heating apparatus (including connections or supply pipes) unless such coverage is endorsed hereon;
- h) by misdelivery, any mysterious disappearance or by pilferage.

**CONDITIONS AND LIMITATIONS**

**8. Valuation**

All shipments are by agreement valued at the amount of invoice or if not under invoice then at cash market value on date and at place of shipments, except however, the liability of the Insurer shall not exceed the value as shown in tariff documents, bills of lading or shipping receipts, if any, nor shall the Insurer’s liability in any event exceed what it would then cost to repair or replace the property lost or damaged with other of like kind and quality.

**9. Pro-Rata Clause**

In no event shall the Insurer be liable for a greater proportion of the liability for loss or damage to the property than the amount of insurance applicable bears to the amount for which the Insured would have been liable in a total loss.

**10. Automatic Insurance for Newly Acquired Vehicles**

This insurance applies also to lawful goods or merchandise carried by a vehicle owned or operated by the Insured even though such vehicle is not listed in the “Declarations” if:

- a) such vehicle was not owned or operated by the Insured at or before the inception of this policy and is acquired by the Insured during the policy period; and
- b) the insured notifies the Insurer within thirty (30) days following such acquisitions.

The Insured shall pay the additional premium required. The limit of the Insurer’s liability with respect to a newly acquired vehicle shall be the lowest amount shown in the “Declarations” for units of equivalent tonnage, or the lowest amount shown in the “Declarations” for any one vehicle if no similar vehicles are listed in the “Declarations”. Liability assumed by the Insurer under this clause shall not increase the limit of liability in any one loss, disaster or casualty, provided under this policy in the absence of this clause.

**11. Reimbursement of Insurer**

Should the Insurer pay a loss or losses in compliance with any special endorsement required by law or legal regulations for which it would not have been liable under the terms of the policy, the Insured agrees to reimburse the Insurer to the full extent of such payments, plus any additional expense incurred in connection therewith.

The insurer agrees to indemnify shippers or consignees for loss or damage, which would be recoverable hereunder except for the existence of the Deductible Clause 4 in this Form. The terms of the Deductible Clause remain in full force and effect as binding on the Insured, and the Insured shall reimburse the Insurer for any payment so made on demand.

**12. Indemnification of Third Parties**

In the event of loss or damage to property for which claim is made upon the Insurer, the Insurer reserves the right to adjust such a loss with the owner or owners, and the discharge of such owner or owners in satisfaction thereof shall be in full satisfaction of any claim of the Insured’s for which such payment has been made.

The Insured shall not make settlement of any claim, for which liability is assumed under this Form, without the written consent of the Insurer. The Insurer has the right to settle any claim in its own time and at its own cost. The insured shall aid in securing information and evidence and the attendance of witnesses and shall co-operate with the Insurer (except in a pecuniary way) in all matters which the Insurer may consider necessary in the defence of any claim or action or appeal for any judgement in respect of any loss for which there is liability under this Form.

**13. Breach of Conditions**

Where a loss occurs and there has been a breach of condition relating to a matter before the happening of the loss, which breach would otherwise disentitle the Insured from recovery under this Form, the breach shall not disentitle the Insured from recovery if the Insured establishes that the loss was not caused or contributed to by the breach of condition or if the breach of condition occurred in any portion of the premises over which the Insured has no control.

**14. Territorial Limits**

This Form covers only within the territorial limits of Canada and the continental United States of America excluding Alaska.

**15. Reinstatement**

Any loss hereunder shall not reduce the amount of insurance applicable to this Form.

**16. Other Insurance**

Where there is any other valid and collectible insurance providing indemnity for loss for which this policy provides indemnity, the Insurer shall be liable only for its rateable proportion of the loss.

**17. Compromise by Insured**

The Insurer shall not be liable for any loss or damage, which shall be the subject of a settlement or compromise by the Insured with others unless the Insurer consents thereto.

**18. Definitions**

Wherever used in this Form:

- a) "Declarations" means the Declarations Page applicable to this Form.
- b) "Vehicle" means a truck, a trailer, an automobile, a station wagon or a panel.

**19. Paramount**

In the event of there being any conflict between the terms and conditions of the document to which this Form is attached and the terms and conditions recited above, the latter shall be deemed to govern in favour of the Insured.

## REEFER BREAKDOWN EXTENSION AND WARRANTY

APPLICABLE TO THE MOTOR TRUCK CARGO – (TRUCKMEN'S) BROAD FORM  
OR MOTOR TRUCK CARGO – (OWNER'S) BROAD FORM OR TRANSPORTATION FLOATER

It is agreed that this policy is extended to insure against loss of or damage to the Property Insured caused by a change of temperature resulting from breakdown or malfunction of the refrigerating, cooling or heating apparatus (including connections or supply pipes).

Failure of the Insured to comply with any or all of the following will render the policy null and void in the event of a loss:

1. All vehicles containing temperature controlled property shall be equipped with an operating signal device visible to the driver while in transit and which shall indicate to the driver if there is any breakdown, failure or inefficient operation of the temperature controlled equipment.
2. Vehicles containing temperature controlled property shall have a maintenance program and be maintained to dealer specifications.
3. Vehicles containing temperature controlled property shall not be left unattended for more than six (6) hours at any one time.

All other terms and conditions remain unchanged.



## DATA EXCLUSION

APPLICABLE TO ALL PROPERTY AND BUSINESS INTERRUPTION COVERAGES OF THIS POLICY

This endorsement modifies the coverage provided in those coverage forms shown on the "Declaration Page" under the Property heading:

### SECTION A

Applicable to all Property coverage forms or extensions of coverage other than those indicated in Section B:

1. This Policy does not insure "Data".
2. This Policy does not insure loss or damage caused directly or indirectly by "Data Problem", regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage, and any business interruption or extra expense loss resulting from such loss or damage, except as follows:
  - a. If loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by:
    - (i) "Named Perils" as defined in this endorsement; or
    - (ii) the following perils only if otherwise insured and not otherwise excluded:
      - (a) escape of water from any tank, apparatus or pipe;
      - (b) flood;
      - (c) freeze;    this exclusion 2 shall not apply to such resulting loss or damage.
  - b. If "Data Problem" is the direct result of:
    - (i) "Named Perils" as defined in this endorsement; or
    - (ii) the following perils, only if otherwise insured and not otherwise excluded:
      - (a) escape of water from any tank, apparatus or pipe;
      - (b) earthquake;
      - (c) flood;
      - (d) sewer back-up;    at the "premises" of the Insured, this exclusion 2 shall not apply to resulting business interruption or extra expense loss, if insured under this policy.

### SECTION B

Applicable to Electronic Data Processing, Accounts Receivable, Valuable Papers and Records and Computer Package coverage forms or extensions of coverage:

1. This Policy does not insure loss or damage caused directly or indirectly by "Data Problem" regardless of any other cause or event that contributes concurrently or in any sequence to such loss or damage, and any business interruption or extra expense loss resulting from such loss or damage, except as follows:
  - a. If loss or damage caused by "Data Problem" results in the occurrence of further loss of or damage to property insured that is directly caused by:
    - (i) "Named Perils" as defined in this endorsement; or
    - (ii) the following perils only if otherwise insured and not otherwise excluded:
      - (a) escape of water from any tank, apparatus or pipe;
      - (b) flood;
      - (c) freeze;    at the "premises" of the Insured, this exclusion shall not apply to such resulting loss or damage.
  - b. If "Data Problem" is the direct result of:
    - (i) "Named Perils" as defined in this endorsement; or
    - (ii) the following perils only if otherwise insured and not otherwise excluded:
      - (a) escape of water from any tank, apparatus or pipe;
      - (b) earthquake;
      - (c) flood;
      - (d) sewer back-up;    at the "premises" of the Insured, this exclusion shall not apply.

### DEFINITIONS

**Data** means representations of information or concepts, in any form.

**Data Problem** means:

- 1) erasure, disturbance, destruction, corruption, misappropriation, misinterpretation of "Data";
- 2) error in creating, amending, entering, deleting or using "Data"; or
- 3) inability to receive, transmit or use "Data".

Named Perils means:

**A. FIRE OR LIGHTNING**

**B. EXPLOSION**

Except with respect to the explosion of natural, coal or manufactured gas, there shall in no event be any liability for loss or damage caused by explosion, rupture or bursting in or of the following property owned, operated or controlled by the Insured:

- (i) (a) the portions containing steam or water under steam pressure of all boilers generating steam, and piping or other equipment connected to said boilers and containing steam or water under steam pressure;
- (b) piping and apparatus or their parts normally containing steam or water under steam pressure from an external source and while under such pressure;
- (c) the combustion chambers or fire boxes of steam generating boilers of the chemical recovery type and the flues or passages which conduct the gases of combustion from them;
- (d) smelt dissolving tanks;
- (ii) other vessels and apparatus and connected pipes, while under pressure, or while in use or in operation, provided their maximum normal internal working pressure exceeds 103 kilopascals (15 pounds per square inch) above atmospheric pressure, except that liability is specifically assumed for loss or damage resulting from the explosion of manually portable gas cylinders;
- (iii) moving or rotating machinery or parts of same when such loss or damage is caused by centrifugal force or mechanical breakdown;
- (iv) any vessels and apparatus and connected pipes while undergoing pressure tests, but this exclusion shall not apply to other insured property that has been damaged by such explosion;
- (v) gas turbines.

The following are not explosions within the intent or meaning of this section:

- (a) electric arcing or any coincident rupture of electrical equipment due to such arcing;
- (b) bursting or rupture caused by hydrostatic pressure or freezing;
- (c) bursting or rupture of any safety disc, rupture diaphragm or fusible plug.

**C. IMPACT BY AIRCRAFT, SPACECRAFT OR LAND VEHICLE**

The terms Aircraft and Spacecraft include articles dropped from them.

There shall in no event be any liability for cumulative damage or for loss or damage:

- (i) caused by land vehicles belonging to or under the control of the Insured or any of his employees;
- (ii) to aircraft, spacecraft or land vehicles causing the loss;
- (iii) caused by any aircraft or spacecraft when being taxied or moved inside or outside of a "building".

**D. SMOKE**

The term Smoke means smoke due to a sudden, unusual and faulty operation of any stationary furnace. There shall in no event be any liability for any cumulative damage.

**E. LEAKAGE FROM "FIRE PROTECTIVE EQUIPMENT"**

The term Leakage From "Fire Protective Equipment" means:

- (i) the leakage or discharge of water or other substances from;
  - (ii) the collapse of;
  - (iii) the rupture due to freezing of;
- "fire protective equipment" for the "premises" or for adjoining structures.

**F. WINDSTORM OR HAIL**

There shall in no event be any liability for loss or damage:

- (i) to the interior of the "building" or to "contents of every description" unless damage occurs concurrently with and results from an aperture caused by windstorm or hail;
- (ii) directly or indirectly caused by any of the following, whether driven by wind or due to windstorm or not: snow-load, ice-load, tidal wave, tsunamis, high water, overflow, flood, waterborne objects, waves, ice, land subsidence, landslide.

All other terms and conditions of this policy remain unchanged.

## COMMERCIAL GENERAL LIABILITY - OCCURRENCE BASIS

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under Paragraph 3. of Section II – Who Is An Insured. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

### SECTION I – COVERAGES

#### COVERAGE A. BODILY INJURY and PROPERTY DAMAGE LIABILITY

This Insuring Agreement only applies when an Each Occurrence Limit is shown in the Declarations.

##### 1. Insuring Agreement

- (a) We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.
- (b) This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- (d) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- (e) "Compensatory damages" because of "bodily injury" include "compensatory damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### (a) Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

###### (b) Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.

**(c) Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment or employment compensation law or any similar law.

**(d) Employer's Liability**

"Bodily injury" to an "employee" of the insured arising out of and in the course of:

- (1) Employment by the insured; or
- (2) Performing duties related to the conduct of the insured's business.

This exclusion applies:

- (i) Whether the insured may be liable as an employer or in any other capacity; and
- (ii) To any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the injury.

This exclusion does not apply to:

- (a) Liability assumed by the insured under an "insured contract"; or
- (b) A claim made or an "action" brought by a Canadian resident "employee" on whose behalf contributions are made by or required to be made by you under the provisions of any Canadian provincial or territorial workers' compensation law, if cover or benefits have been denied by any Canadian Workers' Compensation Authority.

**(e) Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of:

- (i) Any aircraft or air cushion vehicle owned or operated by or rented or loaned to any insured; or
- (ii) Any premises for the purpose of an airport or aircraft landing area and all operations necessary or incidental thereto.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

**(f) Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others by or on behalf of any insured of any watercraft.

Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 12 metres long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) "Bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.

**(g) Automobile**

"Bodily injury" or "property damage" arising directly or indirectly, in whole or in part, out of the ownership, maintenance, use or entrustment to others of any "automobile" owned or operated by or rented or loaned to any insured. Use includes operation. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury" or "property damage".

This exclusion applies to any motorized snow vehicle or its trailers and any vehicle while being used in any speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

Subject to paragraph (4) below, this exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, use or entrustment to others of any "automobile" that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply:

- (1) To "bodily injury" to an "employee" of the insured on whose behalf contributions are made by or required to be made by the insured under the provisions of any Canadian provincial or territorial workers' compensation law.
- (2) To "bodily injury" or "property damage" arising out of a defective condition in, or improper maintenance of, any "automobile" owned by the insured while leased to others for a period of 30 days or more provided the lessee is obligated under contract to ensure that the "automobile" is insured.
- (3) To the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any "automobile" while at the site of the use or operation of such equipment. However, this exception does not apply when such machinery, apparatus or equipment mounted or attached to any "automobile" or motorized snow vehicle and such machinery, apparatus or equipment is used for the purpose of "loading and unloading".
- (4) If your operations are related to the business of selling, repairing, servicing, parking or storing "automobiles", to liability arising out of a defective condition in or improper maintenance of any "automobile" owned by you while rented, leased or loaned to others, provided, however, coverage shall apply only to "bodily injury" sustained by any person while driving the "automobile", or the son, daughter or spouse of such person while being carried in or upon or entering, getting on to or alighting from such "automobile".
- (5) To "bodily injury" or "property damage" arising out of "loading or unloading" if such operations are precluded from coverage under the motor vehicle section of any provincial or territorial act or regulation.

**(h) Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in your care, custody or control;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

(i) **Damage To Your Product**

"Property damage" to "your product" arising out of "your product" or any part of it. In respect to your operations related to the business of selling, repairing, servicing, parking or storing automobiles, this exclusion is amended to read as follows:

"Property damage" to "your product" arising out of "your product" or any part of it if caused by a defect existing at the time it was sold or transferred to another.

(j) **Damage To Your Work**

"Property Damage" to that particular part of "your work" out of which an "occurrence" arises due to "your work" having been incorrectly performed on it and included in the "products - completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(k) **Damage To Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
  - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

(l) **Recall of Products, Work or Impaired Property**

"Compensatory damages" claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

(m) **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

"Compensatory damages" arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
  - (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
- This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

(n) **Personal and Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

(o) **Professional Services**

"Bodily injury" (other than "incidental medical malpractice injury"), or "property damage" due to the rendering of or failure to render by you or on your behalf of any "professional services" for others, or any error or omission, malpractice or mistake in providing those services.

(p) **Abuse**

- (1) Claims or "actions" arising directly or indirectly from "abuse" committed or alleged to have been committed by an insured, including the transmission of disease arising out of any act of "abuse".
- (2) Claims or "actions" based on your practices of "employee" hiring, acceptance of "volunteer workers" or supervision or retention of any person alleged to have committed "abuse".
- (3) Claims or "actions" alleging knowledge by an insured of, or failure to report, the alleged "abuse" to the appropriate authority(ies).

(q) **Asbestos – see Common Exclusions.**

(r) **Fungi or Spores – see Common Exclusions.**

(s) **Nuclear – see Common Exclusions.**

(t) **Pollution – see Common Exclusions.**

(u) **Terrorism – see Common Exclusions.**

(v) **War Risks – see Common Exclusions.**

**COVERAGE B. PERSONAL and ADVERTISING INJURY LIABILITY**

This Insuring Agreement only applies when a Personal and Advertising Injury Limit is shown in the Declarations.

**1. Insuring Agreement**

- (a) We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "action" that may result. But:
- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.
- (b) This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

- (a) **Knowing Violation Of Rights Of Another**  
"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".
- (b) **Material Published With Knowledge Of Falsity**  
"Personal and advertising injury" arising out of oral or written publication in any manner of material, if done by or at the direction of the insured with knowledge of its falsity.
- (c) **Material Published Prior To Policy Period**  
"Personal and advertising injury" arising out of oral or written publication in any manner of material whose first publication took place before the beginning of the policy period.
- (d) **Criminal Acts**  
"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.
- (e) **Contractual Liability**  
"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages" that the insured would have in the absence of the contract or agreement.
- (f) **Breach Of Contract**  
"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".
- (g) **Quality Or Performance Of Goods – Failure To Conform To Statements**  
"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".
- (h) **Wrong Description Of Prices**  
"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".
- (i) **Infringement Of Copyright, Patent, Trademark or Trade Secret**  
"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.  
However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.
- (j) **Insureds In Media and Internet Type Businesses**  
"Personal and advertising injury" committed by an insured whose business is:
- (1) Advertising, broadcasting, publishing or telecasting;
  - (2) Designing or determining content of web-sites for others; or
  - (3) An Internet search, access, content or service provider.
- However, this exclusion does not apply to Paragraphs 22. a., b. and c. of "personal and advertising injury" under the Definitions Section.  
For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.
- (k) **Electronic Chatrooms or Bulletin Boards**  
"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.
- (l) **Unauthorized Use Of Another's Name or Product**  
"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.
- (m) **Employment Practices**  
"Personal and advertising injury" to:
- (1) A person arising out of any:
    - (i) Refusal to employ that person;
    - (ii) Termination of that person's employment; or
    - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" sustained by the person referred to in Paragraph (1) above at whom any of the employment-related practices described in Paragraphs (i), (ii), or (iii) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share "compensatory damages" with or repay someone else who must pay "compensatory damages" because of the "personal and advertising injury"

- (n) **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**  
 "Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non public information.  
 This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.
- (o) **Asbestos** – see Common Exclusions.  
 (p) **Fungi or Spores** – see Common Exclusions.  
 (q) **Nuclear** – see Common Exclusions.  
 (r) **Pollution** – see Common Exclusions.  
 (s) **Terrorism** – see Common Exclusions.  
 (t) **War Risks** – see Common Exclusions.

### COVERAGE C. MEDICAL PAYMENTS

This Insuring Agreement only applies when a Medical Expense Limit is shown in the Declarations.

#### 1. Insuring Agreement

- (a) We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;  
 provided that:
    - (i) The accident takes place in the "coverage territory" and during the policy period;
    - (ii) The expenses are incurred and reported to us within one year of the date of the accident; and
    - (iii) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- (b) We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as described in Section III – Limits of Insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

#### 2. Exclusions

We will not pay expenses for "bodily injury":

- (a) **Any Insured**  
 To any insured, except "volunteer workers".
- (b) **Hired Person**  
 To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- (c) **Injury On Normally Occupied Premises**  
 To a person injured on that part of premises you own or rent that the person normally occupies.
- (d) **Workers Compensation and Similar Laws**  
 To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- (e) **Athletics Activities**  
 To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- (f) **Products-Completed Operations Hazard**  
 Included within the "products-completed operations hazard".
- (g) **Coverage A Exclusions**  
 Excluded under Coverage A.

### COVERAGE D. TENANTS' LEGAL LIABILITY

This Insuring Agreement only applies when a Tenants' Legal Liability Limit is shown in the Declarations.

#### 1. Insuring Agreement

- (a) We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" because of "property damage" to which this insurance applies. This insurance applies only to "property damage" to premises of others rented to you or occupied by you. We will have the right and duty to defend the insured against any "action" seeking those "compensatory damages". However, we will have no duty to defend the insured against any "action" seeking "compensatory damages" for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "action" that may result. But:
- (1) The amount we will pay for "compensatory damages" is limited as described in Section III – Limits Of Insurance; and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A, B or D or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A, B and D.

- (b) This insurance applies to "property damage" only if:
  - (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "property damage" occurred, then any continuation, change or resumption of such "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- (c) "Property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "property damage" after the end of the policy period.
- (d) "Property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for "compensatory damages" because of the "property damage"; or
  - (3) Becomes aware by any other means that "property damage" has occurred or has begun to occur.

**2. Exclusions**

This insurance does not apply to:

- (a) **Expected or Intended Injury**  
"Property damage" expected or intended from the standpoint of the insured.
- (b) **Contractual Liability**  
"Property damage" for which the insured is obligated to pay "compensatory damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "compensatory damages":
  - (1) That the insured would have in the absence of the contract or agreement; or
  - (2) Assumed in a contract or agreement that is an "insured contract", provided the "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable legal fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "compensatory damages" because of "property damage", provided:
    - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
    - (b) Such legal fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "compensatory damages" to which this insurance applies are alleged.
- (c) **Asbestos** – see Common Exclusions.
- (d) **Fungi or Spores** – see Common Exclusions.
- (e) **Nuclear** – see Common Exclusions.
- (f) **Pollution** – see Common Exclusions.
- (g) **Terrorism** – see Common Exclusions.
- (h) **War Risks** – see Common Exclusions.

**COMMON EXCLUSIONS – COVERAGES A, B, C and D**

This insurance does not apply to:

**1. Asbestos**

"Bodily injury", "property damage", "personal and advertising injury" related to or arising from any actual or alleged liability for any legal remedy of any kind whatsoever (including but not limited to damages, interest, mandatory or other injunctive relief, statutory orders or penalties, legal or other costs, or expenses of any kind) in respect of actual or threatened loss, damage, cost or expense directly or indirectly caused by, resulting from, in consequence of or in any way involving, asbestos or any materials containing asbestos in whatever form or quantity.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**2. Fungi or Spores**

- (a) "Bodily injury", "property damage", "personal and advertising injury" or medical expenses under Coverage C. or any other cost, loss or expense incurred by others, arising directly or indirectly, from the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, presence of, spread of, reproduction, discharge or other growth of any "fungi" or "spore(s)" however caused, including any costs or expenses incurred to prevent, respond to, test for, monitor, abate, mitigate, remove, cleanup, contain, remediate, treat, detoxify, neutralize, assess or otherwise deal with or dispose of "fungi" or "spore(s)"; or
- (b) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with a. above; or
- (c) Any obligation to pay damages, share damages with or repay someone else who must pay damages because of such injury or damage referred to in a. or b. above.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

This exclusion shall not apply to "bodily injury" or "property damage" which results directly from a "products-completed operations hazard" not otherwise excluded by this policy subject to the following limits:

Each Occurrence: \$250,000.  
Fungi Liability Aggregate Limit: \$250,000.



The Fungi Liability Aggregate Limit is the most we will pay for "compensatory damages" because of "bodily injury" and "property damage" arising out of Fungi Liability in each consecutive annual period and any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limit of insurance that applies.

For the purpose of the following exception:

- (i) "Property damage" means physical injury to animals.
- (ii) "Products-completed operations hazard" means all "bodily injury" and "property damage" that arises out of "your product" provided the "bodily injury" or "property damage" occurs after you have relinquished physical possession of "your product".

This exclusion does not apply to any "fungi" or "spores" that are, are on, or are contained in "your product", if "your product" is intended by you to be applied topically to, or ingested by humans or animals and is included in the "products-completed operations hazard".

### 3. Nuclear Energy Liability

- (a) Liability imposed by or arising from any nuclear liability act, law, statute, or regulation, or any law amendatory thereof;
- (b) "Bodily injury", "property damage" or "personal and advertising injury" with respect to which an insured under this policy is also insured under a contract of nuclear energy liability insurance (whether the insured is unnamed in such contract and whether or not it is legally enforceable by the insured) issued by the Nuclear Insurance Association of Canada or any other insurer or group or pool of insurers or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (c) "Bodily injury", "property damage" or "personal and advertising injury" resulting directly or indirectly from the "nuclear energy hazard" arising from:
  - (1) The ownership, maintenance, operation or use of a "nuclear facility" by or on behalf of an insured;
  - (2) The furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility";
  - (3) The possession, consumption, use, handling, disposal or transportation of "fissionable substances", or of other "radioactive material" (except radioactive isotopes, away from a nuclear facility, which have reached the final stage of fabrication so as to be useable for any scientific, medical, agricultural, commercial or industrial purpose) used, distributed, handled or sold by an insured.

This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

### 4. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened spill, discharge, emission, dispersal, seepage, leakage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned, managed, rented to others or occupied by any insured, or rented or loaned to any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapour or soot from equipment used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapours from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "action" by or on behalf of a governmental authority for "compensatory damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this Section (2) does not apply to liability for "compensatory damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "action" by or on behalf of a governmental authority.

**5. Terrorism**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of "terrorism" or out of any activity or decision of a government agency or other entity to prevent, respond to or terminate "terrorism". This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**6. War Risks**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly, in whole or in part, out of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military power. This exclusion applies regardless of any other contributing or aggravating cause or event that contributes concurrently or in any sequence to the "bodily injury", "property damage" or "personal and advertising injury".

**SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D**

1. We will pay, with respect to any claim we investigate or settle, or any "action" against an insured we defend:
  - (a) All expenses we incur.
  - (b) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - (c) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "action", including actual loss of earnings up to \$250 a day because of time off from work.
  - (d) All costs assessed or awarded against you in the "action".
  - (e) Any interest accruing after entry of judgment upon that part of the judgment which is within the applicable limit of insurance and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance. These payments will not reduce the limits of insurance.
  
2. If we defend an insured against an "action" and an indemnitee of the insured is also named as a party to the "action", we will defend that indemnitee if all of the following conditions are met:
  - (a) The "action" against the indemnitee seeks "compensatory damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) This insurance applies to such liability assumed by the insured;
  - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - (d) The allegations in the "action" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "action" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - (f) The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "action";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "action";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "action"; and
      - (b) Conduct and control the defense of the indemnitee in such "action".

So long as the above conditions are met, legal fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2. b. (2) of Section I – Coverage A – Bodily Injury and Property Damage Liability, such payments will not be deemed to be "compensatory damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for legal fees and necessary litigation expenses as Supplementary Payments ends when:

- (i) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (ii) The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:
  - (a) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (b) A partnership, limited liability partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (c) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (d) An organization other than a partnership, limited liability partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your shareholders are also insureds, but only with respect to their liability as shareholders.
  - (e) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:
  - (a) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, limited liability partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership, limited liability partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) For which there is any obligation to share "compensatory damages" with or repay someone else who must pay compensatory damages" because of the injury described in Paragraph **(1)(a)** above;
      - (c) Arising out of his or her providing or failing to provide professional health care services; or
      - (d) To any person who at the time of injury is entitled to benefits under any workers' compensation or disability benefits law or a similar law.
    - (2) "Property damage" to property.
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership, limited liability partnership or joint venture), or any member (if you are a limited liability company).
  - (b) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - (c) Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - (d) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. Any organization you newly acquire or form, other than a partnership, limited liability partnership or joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - (a) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - (b) Coverage **A** and **D** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - (c) Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, limited liability partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations or added by endorsement hereon.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
    - (a) Insureds;
    - (b) Claims made or "actions" brought; or
    - (c) Persons or organizations making claims or bringing "actions".
  2. The Aggregate Limit is the most we will pay under Coverage **A** for "compensatory damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
  3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of:
    - (a) "Compensatory damages" under Coverage **A**; and
    - (b) Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
  4. The Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all "compensatory damages" because of all "personal and advertising injury" sustained by any one person or organization.
  5. The Tenants' Legal Liability Limit is the most we will pay under Coverage **D** for "compensatory damages" because of "property damage" to any one premises.
  6. Subject to 3. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.
- The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
7. **Deductible**
    - (a) Our obligation under Coverage **A** and Coverage **D** to pay "compensatory damages" on your behalf applies only to the amount of "compensatory damages" in excess of any deductible amounts stated in the Declarations as applicable to such coverages, and the limits of insurance applicable to each "occurrence" for Coverage **A** and any one premises for Coverage **D** will be reduced by the amount of such deductible. The Aggregate Limit under Coverage **A** shall not be reduced by the application of such deductible amounts.
    - (b) The deductible amount applies as follows:
      - (1) Under Coverage **A**: To all "compensatory damages" because of "property damage" or "bodily injury" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".

- (2) Under Coverage D, Tenants' Legal Liability, to all "compensatory damages" because of "property damage" as the result of any one "occurrence", regardless of the number of persons or organizations who sustain "compensatory damages" because of that "occurrence".
- (c) The deductible amount in the Declarations specifies a deductible on a "per claim" or "per occurrence" basis. In the event of a "per claim" deductible, if more than one claim arises out of the same "occurrence", then the deductible amount shall be applied to each claim separately. In the event of a "per occurrence" deductible, then the deductible amount shall be applied once to each "occurrence" regardless of the number of claimants involved.
- (d) If a reimbursement amount is shown for the deductible in the Declarations, then subject to 3, above, our obligation under Coverage A to pay as "compensatory damages" because of "bodily injury" or "property damage" and as Supplementary Payments applies only to the amount of "compensatory damages" and Supplementary Payments in excess of the Reimbursement amount stated in the Declarations. The limits of insurance applicable to each "occurrence" for "bodily injury" and "property damage" liability will be reduced by the amount of such deductible. The Aggregate Limit for such coverages shall not be reduced by the application of such deductible amounts.
- (e) You shall reimburse us up to the Reimbursement amount shown for the deductible in the Declarations with respect to all "compensatory damages" because of "bodily injury" or "property damage" and Supplementary Payments combined in any one "occurrence," and we shall be liable only for loss, damage or expense in excess of that amount.
- (f) The terms of this insurance, including those in respect to:
  - (1) Our right and duty to defend any "action" seeking those "compensatory damages"; and
  - (2) Your duties in the event of an "occurrence", claim or "action":
 apply irrespective of the application of the deductible amount.
- (g) We may pay any part or all of the deductible amount to effect settlement of any claim or "action" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

#### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**  
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.
2. **Canadian Currency Clause**  
All limits of insurance, premiums and other amounts as expressed in this policy are in Canadian currency.
3. **Changes**  
This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.
4. **Duties In The Event Of Occurrence, Offense, Claim or Action**
  - (a) You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
    - (1) How, when and where the "occurrence" or offense took place;
    - (2) The names and addresses of any injured persons and witnesses; and
    - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
  - (b) If a claim is made or "action" is brought against any insured, you must:
    - (1) Immediately record the specifics of the claim or "action" and the date received; and
    - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "action" as soon as practicable.
  - (c) You and any other involved insured must:
    - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "action";
    - (2) Authorize us to obtain records and other information;
    - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "action"; and
    - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
  - (d) No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
5. **Examination Of Your Books and Records.**  
We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
6. **Inspections and Surveys**
  - (1) We have the right to:
    - (a) Make inspections and surveys at any time;
    - (b) Give you reports on the conditions we find; and
    - (c) Recommend changes.
  - (2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
    - (a) Are safe or healthful; or
    - (b) Comply with laws, regulations, codes or standards.
  - (3) Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
  - (4) Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under provincial or municipal statutes, ordinances, bylaws or regulations, of boilers, pressure vessels or elevators.
7. **Legal Action Against Us**  
No person or organization has a right under this policy:
  - (a) To join us as a party or otherwise bring us into an "action" asking for "compensatory damages" from an insured; or

- (b) To sue us on this policy unless all of its terms have been fully complied with. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for "compensatory damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.
- 8. Other Insurance**  
If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A, B or D of this policy, our obligations are limited as follows:
- (a) **Primary Insurance**  
This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will either share with all that other insurance by the method described in c. below, or, if applicable, method d. below will apply.
- (b) **Excess Insurance**  
This insurance is excess over:
- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
    - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
    - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
    - (c) If the loss arises out of the maintenance or use of watercraft or "automobiles" to the extent not subject to Exclusions f. or g. of Section I – Coverage A – Bodily Injury and Property Damage Liability.
  - (2) Any other primary insurance available to you covering liability for "compensatory damages" arising out of the premises or operations or products-completed operations for which you have been added as an additional insured.
- When this insurance is excess, we will have no duty under Coverages A, B or D to defend the insured against any "action" if any other insurer has a duty to defend the insured against that "action". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and
  - (2) The total of all deductible and self-insured amounts under all that other insurance.
- We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this policy.
- (c) **Method Of Sharing**  
If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
- (d) **Additional Insured - Primary and Non-Contributory – by Contract**  
If you have agreed in a written contract or written agreement with an additional insured that this insurance is primary and non-contributory, then this insurance is primary to other insurance available to the additional insured which covers that person or organization as a named insured and we will not seek contribution from that other insurance.
- 9. Premium Audit**  
This clause is applicable only when premium audit adjustment terms are shown in the Declarations.
- (a) We will compute all premiums for this policy in accordance with our rules and rates.
  - (b) Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured subject to the retention of the minimum retained premium shown in the Declarations of this policy.
  - (c) The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- 10. Premiums**  
The first Named Insured shown in the Declarations:
- (a) Is responsible for the payment of all premiums; and
  - (b) Will be the payee for any return premiums we pay.
- 11. Representations**  
By accepting this policy, you agree:
- (a) The statements in the Declarations are accurate and complete;
  - (b) Those statements are based upon representations you made to us; and
  - (c) We have issued this policy in reliance upon your representations.
- 12. Separation Of Insureds, Cross Liability**  
Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:
- (a) As if each Named Insured were the only Named Insured; and
  - (b) Separately to each insured against whom claim is made or "action" is brought.
- 13. Termination**
- (a) The first Named Insured shown in the Declarations may terminate this policy by mailing or delivering to us advance written notice of termination.
  - (b) Subject to c. below, we may terminate this policy by mailing or delivering to the first Named Insured:
    - (1) 15 days notice of termination by registered mail if termination is for non-payment of premium, or
    - (2) 30 days notice of termination by registered mail if termination is for any other reason.
 Registered mail termination takes effect 15 or 30 days after the registered letter or notification of it is delivered to the first Named Insured's postal address. Proof of mailing will be sufficient proof of notice.

- (c) To the extent that the Civil Code of the Province of Quebec (the "Civil Code") is applicable to this policy, the notice provisions in the General Conditions and Provisions as set out in the Civil Code apply. Accordingly, we may terminate this policy by giving written notice sent by registered mail to the first Named Insured at the last known address of the first Named Insured, which termination shall take effect as follows:
- (1) For non-payment of premium, 15 days following receipt of the notice;
  - (2) For all other reasons, 30 days following receipt of the notice.
- (d) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- (e) The policy period will end on the date termination takes effect.
- (f) If this policy is terminated, we will send the first Named Insured any premium refund due. If we terminate, the refund will be pro rata. If the first Named Insured terminates, the refund may be less than pro rata. The termination will be effective even if we have not made or offered a refund.
- 14. Transfer Of Rights Of Recovery Against Others To Us**  
If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "action" or transfer those rights to us and help us enforce them.
- 15. Transfer Of Your Rights and Duties Under This Policy**  
Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.  
If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## SECTION V – DEFINITIONS

1. **"Abuse"** means any act or threat involving molestation, harassment, corporal punishment or any other form of physical, sexual or mental abuse.
2. **"Action"** means a civil proceeding in which "compensatory damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Action" includes:
  - (a) An arbitration proceeding in which such "compensatory damages" are claimed and to which the insured must submit or does submit with our consent; or
  - (b) Any other alternative dispute resolution proceeding in which such "compensatory damages" are claimed and to which the insured submits with our consent.
3. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - (b) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
4. **"Automobile"** means a land motor vehicle, trailer or semi-trailer that is required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, including any attached machinery or equipment.
5. **"Bodily injury"** means bodily injury, disability, sickness, mental anguish, mental injury, mental shock, or disease sustained by a person including death resulting from any of these at any time.
6. **"Compensatory damages"** means damages due or awarded in payment for actual injury or economic loss. "Compensatory damages" does not include punitive or exemplary damages or the multiple portion of any multiplied damage award.
7. **"Coverage territory"** means:
  - (a) Canada and the United States of America (including its territories and possessions);
  - (b) International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - (c) All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of an insured person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay "compensatory damages" is determined in an "action" on the merits, in the territory described in a. above or in a settlement we agree to.
8. **"Electronic data"** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. **"Employee"** includes a "leased worker" and a "temporary worker".
10. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
11. **"Fissionable substance"** means any prescribed substance that is, or from which can be obtained, a substance capable of releasing atomic energy by nuclear fission.
12. **"Fungi"** includes, but is not limited to, any form or type of mould, yeast, mushroom or mildew whether or not allergenic, pathogenic or toxicogenic, and any substance, vapour or gas produced by, emitted from or arising out of any "fungi" or "spores" or resultant mycotoxins, allergens or pathogens.
13. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
14. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - (a) It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - (b) You have failed to fulfil the terms of a contract or agreement;
 

if such property can be restored to use by:

    - (i) The repair, replacement, adjustment or removal of "your product" or "your work"; or
    - (ii) Your fulfilling the terms of the contract or agreement.

15. **"Incidental medical malpractice injury"** means "bodily injury" arising out of the rendering of or failure to render, during the Policy Period, the following services:
- (i) Medical, surgical, dental, x-ray or nursing services or treatment or the furnishing of food or beverages in connection therewith; or
  - (ii) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
- by any insured or any indemnitee causing the "incidental medical malpractice injury" who is not engaged in the business or occupation of providing any of the services described in i) and ii) above.
16. **"Insured contract"** means:
- (a) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - (b) A sidetrack agreement;
  - (c) An easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
  - (d) Any other easement agreement;
  - (e) An obligation, as required by ordinance or bylaw, to indemnify a municipality, except in connection with work for a municipality;
  - (f) An elevator maintenance agreement;
  - (g) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "compensatory damages" because of "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.  
Paragraph g. does not include that part of any contract or agreement:
    - (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
      - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
      - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
    - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
17. **"Leased worker"** means a person leased to you by a labour leasing firm under an agreement between you and the labour leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
18. **"Loading or unloading"** means the handling of property:
- (a) After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft;
  - (b) While it is in or on an aircraft or watercraft; or
  - (c) While it is being moved from an aircraft or watercraft to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft or watercraft.
19. **"Nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of radioactive material.
20. **"Nuclear facility"** means:
- (a) Any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of plutonium, thorium and uranium or any one or more of them;
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of plutonium, thorium and uranium or any one or more of them,
    - (ii) Processing or utilizing spent fuel, or
    - (iii) Handling, processing or packaging waste.
  - (c) Any equipment or device used for the processing, fabricating or alloying of plutonium, thorium or uranium enriched in the isotope uranium 233 or in the isotope uranium 235, or any one or more of them if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste "radioactive material"; and includes the site on which any of the foregoing is located, together with all operations conducted thereon and all premises used for such operations.
21. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
22. **"Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- (a) False arrest, detention or imprisonment;
  - (b) Malicious prosecution;
  - (c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - (d) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - (e) Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - (f) The use of another's advertising idea in your "advertisement"; or
  - (g) Infringing upon another's copyright, trade dress or slogan in your "advertisement".
23. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, odour, vapour, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

24. **"Products-completed operations hazard":**
- (a) Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
  - (b) Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
25. **"Professional services"** shall include but not be limited to:
- (a) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith, however the furnishing of food or beverages as the sole function of the Insured is not "professional services";
  - (b) Any professional service or treatment conducive to health;
  - (c) Professional services of a pharmacist;
  - (d) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
  - (e) The handling or treatment of deceased human bodies including autopsies, organ donations or other procedures;
  - (f) Any cosmetic, body piercing, lonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments;
  - (g) Engineering, designing, architectural, draftsperson or surveying services, including:
    - (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (2) Supervisory, inspection, architectural, design or engineering activities;
  - (h) Accountant's, advertiser's, notary's (Quebec), public notary's, paralegal's, lawyer's, real estate broker's or agent's, insurance broker's or agent's, travel agent's, financial institution's, or consultant's professional advices or activities;
  - (i) Any computer programming or re-programming, consulting, advisory or related services; or
  - (j) Claim investigation, adjustment, appraisal, survey or audit services.
26. **"Property damage"** means:
- (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
27. **"Radioactive material"** means uranium, thorium, plutonium, neptunium, their respective derivatives and compounds, radioactive isotopes of other elements and any other substances which may be designated by any nuclear liability act, law or statute, or any law amendatory thereof, as being prescribed substances capable of releasing atomic energy, or as being requisite for the production, use or application of atomic energy.
28. **"Spores"** includes, but is not limited to, any reproductive particle or microscopic fragment produced by, emitted from or arising out of any "fungi".
29. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
30. **"Terrorism"** means an ideologically motivated unlawful act or acts, including but not limited to the use of violence or force or threat of violence or force, committed by or on behalf of any group(s), organization(s) or government(s) for the purpose of influencing any government and/or instilling fear in the public or a section of the public.
31. **"Volunteer worker"** means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
32. **"Your product":**
- (a) Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - (b) Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.
  - (c) Does not include vending machines or other property rented to or located for the use of others but not sold.
33. **"Your work":**
- (a) Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - (b) Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
    - (2) The providing of or failure to provide warnings or instructions.



**SECTION VI – DESCRIPTION OF TERMS USED FOR PREMIUM BASES**

1. "Area" means the total number of square metres of floor space at the insured premises, excluding that portion of the basement used exclusively for storage or that portion of the premises used for heating or air conditioning plant purposes.  
Rates apply per 100 square metres of area.
2. "Cost of work" means the total cost of all operations performed for you during the policy period by independent contractors, including the cost of materials furnished, used or delivered for use in the execution of the work. This does not include maintenance or ordinary alterations and repairs on premises owned or rented by you.  
Rates apply per \$1,000. of cost of work.
3. "Flat" means the rate charged for exposure is not related to other criteria.
4. "Gross Revenue" means the gross amount of money charged for all work or services performed by you or on your behalf or goods and products sold and distributed by you or by others trading under your name.  
Rates apply per \$1,000. of revenue.
5. "Payroll" means the total earnings for each owner, partner, executive officer and employee.  
Rates apply per \$1,000. of payroll.

## **EXHIBIT 1.1**

CSIO		CERTIFICATE OF INSURANCE			DATE (YY/MM/DD) 17/12/06	
BROKER Palmer Atlantic Insurance Ltd. 538 Main Street, Unit 1 Hartland, NB E7P 2N5			This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.			
BROKER'S CLIENT ID: ADTS-01			COMPANIES AFFORDING COVERAGE			
INSURED'S FULL NAME AND MAILING ADDRESS Atlantica Diversified Transportation Systems Inc. 58 California Road Rexton, NB E4W 1W8			COMPANY A The Sovereign General Ins. Co.			
			COMPANY B			
			COMPANY C			
			COMPANY D			
<b>COVERAGES</b>						
This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.						
<b>LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</b>						
TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (YY/MM/DD)	POLICY EXPIRATION DATE (YY/MM/DD)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)	
COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS <input type="checkbox"/> EMPLOYERS'S LIABILITY <input type="checkbox"/> CROSS LIABILITY <input checked="" type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> POLLUTION LIABILITY EXTENSION	A	SOV79551321	17/12/06	18/12/06	EACH OCCURRENCE	\$ 2000000
					GENERAL AGGREGATE	\$ 2000000
					PRODUCTS - COMP/OP AGG	\$ 2000000
					PERSONAL INJURY	\$ 2000000
					TENANT'S LEGAL LIABILITY	\$ 100000
					MED EXP (Any one person)	\$ 10000
					NON-OWNED AUTO	\$
					OPTIONAL POLLUTION LIABILITY EXTENSION	\$
					(Per Occurrence)	\$
					(Aggregate)	\$
AUTOMOBILE LIABILITY <input type="checkbox"/> DESCRIBED AUTOMOBILES <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> LEASED AUTOMOBILES <input checked="" type="checkbox"/> SEF#27 - \$75,000 <input checked="" type="checkbox"/> SEF#5 <input checked="" type="checkbox"/> All Perils Ded. <input checked="" type="checkbox"/> 21B <small>** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE</small>	A	NCA9504273  TRAILERS ONLY  \$10,000	17/12/06	18/12/06	BODILY INJURY PROPERTY DAMAGE COMBINED	\$ 2000000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM <small>(Specify)</small>					EACH OCCURRENCE	\$
					AGGREGATE	\$
OTHER LIABILITY (SPECIFY) Cargo Cargo Ded \$10,000	A	SOV79551321	17/12/06	18/12/06	All Risk	250,000
ADDITIONAL INSURED			DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS All limits in Canadian funds. Holder is added as additional insured and loss payee with respect to the attached list.			
<b>CERTIFICATE HOLDER</b> Paccar Financial Services Ltd 3rd Floor 6711 Mississauga Road North Mississauga, ON L5N 4J8			<b>CANCELLATION</b> Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail <u>30</u> days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.			
SIGNATURE OF AUTHORIZED REPRESENTATIVE <i>Pam Arsenault</i> Palmer Atlantic Insurance Ltd.			PRINT NAME INCLUDING POSITION HELD Pam Arsenault, CAIB Commercial Lines Manager			
FAX NUMBER	EMAIL ADDRESS		COMPANY		DATE	
506-375-4232			Palmer Atlantic Insurance Ltd.		17/12/06	
CSIO CERT (2000/06)						

Paccar Financial Services Ltd is added as additional insured and loss payee with respect to the following vehicles:

**2015 Kenworth Tractors**

#1XKYDP9X6FJ973214

#1XKYDP9X8FJ973215


#1XKYDP9XXFJ973216

#1XKYDP9X1FJ973217

#1XKYDP9X3FJ973218

**2016 Kenworth Tractor**

#1XKYDP9X6GJ979161

  
Palmer Atlantic Insurance Ltd.

CSIO		CERTIFICATE OF INSURANCE			DATE (YY/MM/DD) 17/12/06	
<b>BROKER</b> Palmer Atlantic Insurance Ltd. 538 Main Street, Unit 1 Hartland, NB E7P 2N5			This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.			
<b>BROKER'S CLIENT ID:</b> ADTS-01			<b>COMPANIES AFFORDING COVERAGE</b>			
<b>INSURED'S FULL NAME AND MAILING ADDRESS</b> Atlantica Diversified Transportation Systems Inc. 58 California Road Rexton, NB E4W 1W8			<b>COMPANY A</b> The Sovereign General Ins. Co.			
			<b>COMPANY B</b>			
			<b>COMPANY C</b>			
			<b>COMPANY D</b>			
COVERAGES						
This is to certify that the policies of Insurance listed below have been issued to the Insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.						
<b>LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</b>						
TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (YY/MM/DD)	POLICY EXPIRATION DATE (YY/MM/DD)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)	
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS <input type="checkbox"/> EMPLOYERS'S LIABILITY <input type="checkbox"/> CROSS LIABILITY <input checked="" type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> POLLUTION LIABILITY EXTENSION	A	SOV79551321	17/12/06	18/12/06	EACH OCCURRENCE \$ 2000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COMP/OP AGG \$ 2000000 PERSONAL INJURY \$ 2000000 TENANT'S LEGAL LIABILITY \$ 100000 MED EXP (Any one person) \$ 10000 NON-OWNED AUTO \$ OPTIONAL POLLUTION LIABILITY EXTENSION \$ (Per Occurrence) \$ (Aggregate) \$	
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> DESCRIBED AUTOMOBILES <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> LEASED AUTOMOBILES <input checked="" type="checkbox"/> SEF#27 - \$75,000 <input checked="" type="checkbox"/> SEF#5 <input checked="" type="checkbox"/> All Perils Ded. <input checked="" type="checkbox"/> 21B <small>** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE</small>	A	NCA9504273  TRAILERS ONLY  \$10,000	17/12/06	18/12/06	BODILY INJURY PROPERTY DAMAGE COMBINED \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$	
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM (Specify) _____					EACH OCCURRENCE \$ AGGREGATE \$	
<b>OTHER LIABILITY (SPECIFY)</b> Cargo Cargo Ded \$10,000	A	SOV79551321	17/12/06	18/12/06	All Risk 250,000	
<b>ADDITIONAL INSURED</b>			<b>DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS</b> All limits in Canadian funds. Holder is added as additional Insured and losspayee with respect to the attached list of vehicles.			
<b>CERTIFICATE HOLDER</b> Peterbilt Atlantic PacLease msteeper@peterbiltatlantic.com 45 Gillis Road Fredericton, NB E3C 2G3			<b>CANCELLATION</b> Should any of the above described policies be cancelled before the expiration date thereof, the Issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.			
<b>SIGNATURE OF AUTHORIZED REPRESENTATIVE</b> <i>Pam Arsenault</i> Palmer Atlantic Insurance Ltd.			<b>PRINT NAME INCLUDING POSITION HELD</b> Pam Arsenault, CAIB Commercial Lines Manager			
<b>FAX NUMBER</b> 506-375-4232	<b>EMAIL ADDRESS</b>		<b>COMPANY</b> Palmer Atlantic Insurance Ltd.		<b>DATE</b> 17/12/06	
<b>CSIO CERT (2000/06)</b>						

Peterbilt Atlantic PacLease is added as additional insured and loss payee with respect to the following vehicles:

**2018 Peterbilts**

#1XPBDP9X1JD469337  
#1XPBDP9X 5JD469339  
#1XPBDP9X 1JD469340  
#1XPBDP9X 3JD469341  
#1XPBDP9X 5JD469342  
#1XPBDP9X 7JD469343  
#1XPBDP9X 2JD469346  
#1XPBDP9X 4JD469348  
#1XPBDP9X 8JD469349  
#1XPBDP9X8JD469335  
#1XPBDP9XXJD469336  
#1XPBDP9X3JD469338  
#1XPBDP9X9JD469344  
#1XPBDP9X0JD469345  
#1XPBDP9X4JD469347  
#1XPBDP9X4JD469350  
#1XPBDP9X6JD469351  
#1XPBDP9X8JD469352  
#1XPBDP9XXJD469353  
#1XPBDP9X1JD469354  
#1XPBDP9X3JD469355  
#1XPBDP9X5JD469356  
#1XPBDP9X7DJ469357  
#1XPBDP9X9JD469358  
#1XPBDP9X0JD469359

*Pam Arsenault*  
Palmer Atlantic Insurance Ltd.

CSIO		CERTIFICATE OF INSURANCE			DATE (YY/MM/DD) 17/12/06	
<b>BROKER</b> Palmer Atlantic Insurance Ltd. 538 Main Street, Unit 1 Hartland, NB E7P 2N5			This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.			
<b>BROKER'S CLIENT ID:</b> ADTS-01			<b>COMPANIES AFFORDING COVERAGE</b>			
<b>INSURED'S FULL NAME AND MAILING ADDRESS</b> Atlantica Diversified Transportation Systems Inc. 58 California Road Rexton, NB E4W 1W8			<b>COMPANY A</b> The Sovereign General Ins. Co.			
			<b>COMPANY B</b>			
			<b>COMPANY C</b>			
			<b>COMPANY D</b>			
<b>COVERAGES</b>						
This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.						
<b>LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</b>						
TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (YY/MM/DD)	POLICY EXPIRATION DATE (YY/MM/DD)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)	
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS <input type="checkbox"/> EMPLOYERS'S LIABILITY <input type="checkbox"/> GROSS LIABILITY <input checked="" type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> POLLUTION LIABILITY EXTENSION	A	SOV79551321	17/12/06	18/12/06	EACH OCCURRENCE \$ 2000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COMP/OP AGG \$ 2000000 PERSONAL INJURY \$ 2000000 TENANT'S LEGAL LIABILITY \$ 100000 MED EXP (Any one person) \$ 10000 NON-OWNED AUTO \$ OPTIONAL POLLUTION LIABILITY EXTENSION \$ (Per Occurrence) \$ (Aggregate) \$	
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> DESCRIBED AUTOMOBILES <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> LEASED AUTOMOBILES <input checked="" type="checkbox"/> SEF#27 - \$75,000 <input checked="" type="checkbox"/> SEF#5 <input checked="" type="checkbox"/> All Perils Ded. <input checked="" type="checkbox"/> 21B <small>** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE.</small>	A	NCA9504273  TRAILERS ONLY  \$10,000	17/12/06	18/12/06	BODILY INJURY PROPERTY DAMAGE COMBINED \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$	
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM <small>(Specify)</small>					EACH OCCURRENCE \$ AGGREGATE \$	
<b>OTHER LIABILITY (SPECIFY)</b> Cargo Cargo Ded \$10,000	A	SOV79551321	17/12/06	18/12/06	All Risk 250,000	
<b>ADDITIONAL INSURED</b>			<b>DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS</b> All limits in Canadian funds. Holder is added as additional insured and loss payee with respect to the attached list of vehicles.			
<b>CERTIFICATE HOLDER</b> VFS Canada Inc. 905-726-5525 3rd Floor 238 Wellington Street E Aurora, ON L4G 1J5			<b>CANCELLATION</b> Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail <u>30</u> days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.			
<b>SIGNATURE OF AUTHORIZED REPRESENTATIVE</b> <i>Pam Arsenault</i> Palmer Atlantic Insurance Ltd.			<b>PRINT NAME INCLUDING POSITION HELD</b> Pam Arsenault, CAIB Commercial Lines Manager			
<b>FAX NUMBER</b> 506-375-4232	<b>EMAIL ADDRESS</b>		<b>COMPANY</b> Palmer Atlantic Insurance Ltd.		<b>DATE</b> 17/12/06	
<b>CSIO CERT (2000/06)</b>						

VFS Canada Inc. is added as additional insured and loss payee with respect to the following vehicles:

**2014 Mack Tractors**

#1M1AW07Y4EM036448

#1M1AW07Y2EM038845

#1M1AW07Y8EM036453

#1M1AW07Y5EM036457

#1M1AW07Y4EM036465

#1M1AW07Y9EM036445

#1M1AW07Y4EM036448

#1M1AW07Y2EM036447

#1M1AW07Y0EM036446

**2016 Mack Tractors**

#1M1AW07Y7GM051948

#1M1AW07Y9GM051949

#1M1AW07Y7GM051951

#1M1AW07Y9GM051952

#1M1AW07Y0GM051953

#1M1AW07Y2GM051954

#1M1AW07Y4GM051955

#1M1AW07Y5GM051981

#1M1AW07Y3GM051980

#1M1AW07Y7GM051979

#1M1AW07Y5GM051978

#1M1AW07Y3GM051977

#1M1AW07Y1GM051976

#1M1AW07YXGM051975

#1M1AW07Y8GM051974

#1M1AW07Y6GM051973

#1M1AW07Y4GM051972



#1M1AW07Y0GM051967

#1M1AW07Y2GM051968

#1M1AW07Y4GM051969

#1M1AW07Y2GM051971

**2012 Mack Tractors**

#1M1AW07Y5CM023446

*Pam Arsenault*

Palmer Atlantic Insurance Ltd.

CSIO		CERTIFICATE OF INSURANCE				DATE (YY/MM/DD) 17/12/06	
<b>BROKER</b> Palmer Atlantic Insurance Ltd. 538 Main Street, Unit 1 Hartland, NB E7P 2N5			This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.				
<b>BROKER'S CLIENT ID:</b> ADTS-01			<b>COMPANIES AFFORDING COVERAGE</b>				
<b>INSURED'S FULL NAME AND MAILING ADDRESS</b> Atlantica Diversified Transportation Systems Inc. 58 California Road Rexton, NB E4W 1W8			<b>COMPANY A</b> The Sovereign General Ins. Co.				
			<b>COMPANY B</b>				
			<b>COMPANY C</b>				
			<b>COMPANY D</b>				
COVERAGES							
This is to certify that the policies of insurance listed below have been issued to the Insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.							
<b>LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</b>							
TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (YY/MM/DD)	POLICY EXPIRATION DATE (YY/MM/DD)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)		
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS <input type="checkbox"/> EMPLOYERS'S LIABILITY <input type="checkbox"/> GROSS LIABILITY <input checked="" type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> POLLUTION LIABILITY EXTENSION	A	SOV79551321	17/12/06	18/12/06	EACH OCCURRENCE	\$	2000000
					GENERAL AGGREGATE	\$	2000000
					PRODUCTS - COMP/OP AGG.	\$	2000000
					PERSONAL INJURY	\$	2000000
					TENANT'S LEGAL LIABILITY	\$	100000
					MED EXP (Any one person)	\$	10000
					NON-OWNED AUTO	\$	
					OPTIONAL POLLUTION LIABILITY EXTENSION	\$	
					(Per Occurrence)	\$	
					(Aggregate)	\$	
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> DESCRIBED AUTOMOBILES <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> LEASED AUTOMOBILES <input checked="" type="checkbox"/> SEF#27 - \$75,000 <input checked="" type="checkbox"/> SEF#5 <input checked="" type="checkbox"/> All Perils Ded. <input checked="" type="checkbox"/> 21B <small>** ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE</small>	A	NCA9504273  TRAILERS ONLY  \$10,000	17/12/06	18/12/06	BODILY INJURY PROPERTY DAMAGE COMBINED	\$	2000000
					BODILY INJURY (Per person)	\$	
					BODILY INJURY (Per accident)	\$	
					PROPERTY DAMAGE	\$	
						\$	
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM <small>(Specify)</small>					EACH OCCURRENCE	\$	
					AGGREGATE	\$	
<b>OTHER LIABILITY (SPECIFY)</b> Cargo Cargo Ded \$10,000	A	SOV79551321	17/12/06	18/12/06	All Risk		250,000
<b>ADDITIONAL INSURED</b>			<b>DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS</b> All Limits in Canadian Funds. Holder is added as loss payee with respect to the attached list of vehicles.				
<b>CERTIFICATE HOLDER</b> Accutrac Capital Solutions Inc Fax: 866-531-2651 74 Mississauga Street East Orilla, ON L3V 1V5			<b>CANCELLATION</b> Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail <u>30</u> days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.				
<b>SIGNATURE OF AUTHORIZED REPRESENTATIVE</b> <i>Pam Arsenault</i> Palmer Atlantic Insurance Ltd.			<b>PRINT NAME INCLUDING POSITION HELD</b> Pam Arsenault, CAIB Commercial Lines Manager				
<b>FAX NUMBER</b> 506-375-4232	<b>EMAIL ADDRESS</b>		<b>COMPANY</b> Palmer Atlantic Insurance Ltd.			<b>DATE</b> 17/12/06	
<b>CSIO CERT (2000/06)</b>							

Accutrac Capital Solutions Inc. is added as loss payee with respect to the following vehicles:

**2005 Trailmobile Trailer**

#2MN01JAH151001191

**2004 Utility Trailers**

#1UYVS25314P403336

#1UYVS25394P153456

#1UYVS25344P153428

#1UYVS25344P153445

**2000 Trailmobile Trailer**

#2MN01JAH8Y1002004

**2012 Utility Trailer**

#1UYVS2534CG309904

#1UYVS2536CG309905

#1UYVS2538CG309906

#1UYVS253XCG309907

#1UYVS2533CG309909

#1UYVS253XCG309910

#1UYVS2532CG309903

#1UYVS2530CG309902

#1UYVS2538CG434324

#1UYVS2536CG434323

#1UYVS2534CG434322

#1UYVS2532CG434321

#1UYVS2530CG434320

#1UYVS2534CG434319

#1UYVS253XCG434325

**2014 Utility Trailers**

#1UYVS2534EG818801

#1UYVS2536EG818802

#1UYVS2538EG818803

#1UYVS253XEG818804

#1UYVS2531EG818805

#1UYVS2533EG818806

#1UYVS2535EG818807

#1UYVS2537EG818808

#1UYVS2539EG818809

#1UYVS2535EG818810

#1UYVS253XEG818821

#1UYVS2531EG818822

#1UYVS2535EG818824

#1UYVS2537EG818825

#1UYVS2539EG818826

#1UYVS2530EG818827

#1UYVS2530EG818830

**2011 Utility Trailers**

#1UYVS3531BG178404

#1UYVS3538BG178402

#1UYVS3531BG178502

**2009 Utility Trailers**

#1UYVS35379M649709

#1UYVS35319M649706

#1UYVS35308M301202

#1UYVS35348M301302

**2007 Utility Trailer**

#1UYVS35387M023003

**2007 Trailmobile Trailers**

#2MN01JAH071001833

#2MN01JAH571001830

#2MN01JAH971001832

#2MN01JAH271001834

#2MN01JAH771001831

#2MN01JAW371001548

**2007 Great Dane Trailers**

#1GRAA062X7T540903

#1GRAA06287T540902

#1GRAA06257T540906

#1GRAA06237T540905

**2007 Utility Trailer**

#1UYVS25387M090002

**2005 Utility Trailer**

#1UYVS25345G626925

**2006 Utility Trailer**

#1UYVS35396M633801

#1UYVS35326M803903

#1UYVS35396M803901

#1UYVS35366M871606

**2005 Utility Trailer**

#1UYVS25305G516812

#1UYVS253X5G516817

#1UYVS25335G516819

#1UYVS25315G516804

#1UYVS25325G516813

#1UYVS25375G516807

#1UYVS25305G516809

#1UYVS25385G516816

#1UYVS25395G516811

#1UYVS25395G626922

#1UYVS25305G626923

#1UYVS25375G626921

**2005 Trailmobile Trailers**

#2MN01JAH251000972

#2MN01JAHX51000976

#2MN01JAH351000978

#2MN01JAH651000974

**2005 Utility Trailers**

#1UYVS25355G516806

#1UYVS25335G516805

#1UYVS25385G516802

#1UYVS25315G516818

#1UYVS253X5M489118

#1UYVS25395M489112

#1UYVS25345M489115

#1UYVS25315M489119

**2004 Utility Trailer**

#1UYVS35314M338804

**2003 Trailmobile Trailers**

#2MN01JAH631002964

**2003 Utility Trailers**

#1UYVS25383G045909

#1UYVS25343G985401

**2005 Utility Trailer**

#1UYVS25355M489107

**2014 Utility Trailers**

#1UYVS2537EG818811

#1UYVS2539EG818812

#1UYVS2530EG818813

#1UYVS2532EG818814

#1UYVS2534EG818815

#1UYVS2536EG818816

#1UYVS2538EG818817

#1UYVS253XEG818818

#1UYVS2531EG818819

#1UYVS2538EG818820

**2009 Utility Trailers**

#1UYVS35309P781807

#1UYVS353X9P781815

#1UYVS35379P781822

#1UYVS35309P781824

  
Palmer Atlantic Insurance Ltd.

CSIO		CERTIFICATE OF INSURANCE				DATE (YY/MM/DD) 17/12/06	
BROKER Palmer Atlantic Insurance Ltd. 538 Main Street, Unit 1 Hartland, NB E7P 2N5			This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.				
BROKER'S CLIENT ID: ADTS-01			COMPANIES AFFORDING COVERAGE COMPANY A The Sovereign General Ins. Co.				
INSURED'S FULL NAME AND MAILING ADDRESS Atlantica Diversified Transportation Systems Inc. 58 California Road Rexton, NB E4W 1W8			COMPANY B COMPANY C COMPANY D				
<b>COVERAGES</b>							
This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.							
<b>LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</b>							
TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (YY/MM/DD)	POLICY EXPIRATION DATE (YY/MM/DD)	LIMITS OF LIABILITY (Canadian dollars unless indicated otherwise)		
COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS <input type="checkbox"/> EMPLOYERS'S LIABILITY <input type="checkbox"/> CROSS LIABILITY <input checked="" type="checkbox"/> TENANT'S LEGAL LIABILITY <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> POLLUTION LIABILITY EXTENSION	A	SOV79551321	17/12/06	18/12/06	EACH OCCURRENCE	\$ 2000000	
					GENERAL AGGREGATE	\$ 2000000	
					PRODUCTS - COMP/OP AGG	\$ 2000000	
					PERSONAL INJURY	\$ 2000000	
					TENANT'S LEGAL LIABILITY	\$ 100000	
					MED EXP (Any one person)	\$ 10000	
					NON-OWNED AUTO	\$	
					OPTIONAL POLLUTION LIABILITY EXTENSION	\$	
					(Per Occurrence)	\$	
					(Aggregate)	\$	
AUTOMOBILE LIABILITY <input type="checkbox"/> DESCRIBED AUTOMOBILES <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> LEASED AUTOMOBILES <input checked="" type="checkbox"/> SEF#27 - \$75,000 <input checked="" type="checkbox"/> SEF#5 <input checked="" type="checkbox"/> All Perils Ded. <input checked="" type="checkbox"/> 21B <small>** ALL AUTOMOBILES LEASED PER EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE</small>	A	NCA9504273  TRAILERS ONLY  \$10,000	17/12/06	18/12/06	BODILY INJURY PROPERTY DAMAGE COMBINED	\$ 2000000	
					BODILY INJURY (Per person)	\$	
					BODILY INJURY (Per accident)	\$	
					PROPERTY DAMAGE	\$	
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM <small>(Specify)</small>					EACH OCCURRENCE	\$	
					AGGREGATE	\$	
OTHER LIABILITY (SPECIFY) Cargo Cargo Ded \$10,000	A	SOV79551321	17/12/06	18/12/06	All Risk	250,000	
ADDITIONAL INSURED			DESCRIPTION OF OPERATIONS/LOCATIONS/AUTOMOBILES/SPECIAL ITEMS All limits in Canadian funds. Holder is added as additional insured and loss payee with respect to 2004 Utility Trailer #1UYVS35314M338804. All perils deductible \$10,000.				
<b>CERTIFICATE HOLDER</b> Wells Fargo Equipment Finance Co Fax#416-498-6308 2550 Victoria Park Ave, Ste700 Toronto, ON M2J 5A9			<b>CANCELLATION</b> Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail <u>30</u> days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.				
SIGNATURE OF AUTHORIZED REPRESENTATIVE <i>Pam Arsenault</i> Palmer Atlantic Insurance Ltd.			PRINT NAME INCLUDING POSITION HELD Pam Arsenault, CAIB Commercial Lines Manager				
FAX NUMBER 506-375-4232	EMAIL ADDRESS		COMPANY Palmer Atlantic Insurance Ltd.		DATE 17/12/06		
CSIO CERT (2000/06)							



## **EXHIBIT 2**

**IN THE SUPREME COURT OF NOVA SCOTIA****IN THE MATTER OF:**

The Companies' Creditors Arrangement Act, R.S.C. 1985,  
c. C-36 as amended

- and -

**IN THE MATTER OF:**

A Plan of Compromise or Arrangement of the Applicant,  
**Atlantica Diversified Transportation Systems Inc.**

**NOTICE OF CLAIMS PROCEDURE  
AND CLAIMS BAR DATE**

This notice is being published pursuant to an Order of the Court of Supreme Court of Nova Scotia made December 22, 2017 (the "Claims Procedure Order"). The Court has ordered that the Court-appointed Monitor of the Company, BDO Canada Limited (the "Monitor"), assist the Company with conducting a claims procedure (the "Claims Procedure") with respect to certain claims against the Company and its present and former Directors and Officers ("Directors/Officers"). The Monitor is required to send Proof of Claim Document Packages to the Company's Known Creditors. All capitalized terms herein shall have the meaning given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Proof of Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's website at <http://extranets.bdo.ca/adts/index.cfm>.

**THE CLAIMS BAR DATE is 5:00 p.m. (Atlantic Time) on February 16, 2018.** Proofs of Claim in respect of Prefiling Claims and Director/Officer Claims must be completed and filed with the Monitor on or before the Claims Bar Date.

**THE RESTRUCTURING PERIOD CLAIMS BAR DATE is 5:00 p.m. (Atlantic Time) on the later of (i) February 16, 2018 or (ii) the date that is seven (7) Business Days after the effective date of the termination, repudiation or cancellation of the agreement or other event giving rise to the Restructuring Period Claim.** Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the Restructuring Period Claims Bar Date.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan in respect of such Claims.

**DATED** at Halifax, Nova Scotia, this 11th day of January, 2018.



BDO Canada Limited, as Court-appointed Monitor  
Attention: Phil Clarke, CPA, CA, CIRP, LIT  
Suite 201 – 255 Lacewood Drive  
Halifax, NS B3M 4G2  
Telephone (902) 425-3100  
Facsimile (902) 425-3777  
Email: [pclarke@bdo.ca](mailto:pclarke@bdo.ca)

# **EXHIBIT 3**



BDO Canada Limited

Suite 201, 255 Laceywood Drive  
Halifax, Nova Scotia B3M 4G2  
Telephone: (902) 425-3100  
Fax: (902) 425-3777  
Toll Free: (800) 337-5764  
Email: [msol-halifax@bdo.ca](mailto:msol-halifax@bdo.ca)  
[www.bdo.ca](http://www.bdo.ca) or [www.bdo.ca/help](http://www.bdo.ca/help)

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**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE OF:  
ATLANTICA DIVERSIFIED TRANSPORTATION SYSTEMS INC. (the "Company") and/or  
its Directors or Officers**

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**A. CLAIMS PROCEDURE**

By Order of the Supreme Court of Nova Scotia made December 22, 2017 (the "**Claims Procedure Order**"), the Court-appointed Monitor of the Company, BDO Canada Limited (the "**Monitor**"), has been authorized to assist the Company in conducting a claims procedure (the "**Claims Procedure**") with respect to certain claims against the Company and its present or former Directors and Officers ("**Directors/Officers**") in accordance with the terms of the Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meaning given to those terms in the Claims Procedure Order.

This letter provides instructions for responding to or completing the Proof of Claim. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure. The Claims Procedure Order, the Proof of Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's website at <http://extranets.bdo.ca/adts/index.cfm>.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against the Company or the Directors/Officers of the Company, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of "Claim", "**Prefiling Claim**", "**Restructuring Period Claim**" and "**Director/Officer Claim**" to which the Claims Procedure applies.

A Proof of Claim form should be completed for the Company if you are asserting a Claim against the Company, and a separate Proof of Claim form should be completed for the Directors/Officers if you are asserting a Director/Officer Claim.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

BDO Canada Limited, as Court-appointed Monitor  
Attention: Phil Clarke  
201-255 Lacewood Drive  
Halifax NS B3M 4G2

Tel No: (902) 425-3100  
Fax No: (902) 425-3777  
Email: [pclarke@bdo.ca](mailto:pclarke@bdo.ca)

## **B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM**

If you believe that you have a Claim against the Company or the Directors or Officers of the Company, you must file a Proof of Claim with the Monitor.

All **Proofs of Claim for Prefiling Claims** (i.e. Claims against the Company arising prior to the Effective Date) and all **Director/Officer Claims** must be received by the Monitor before **5:00 p.m. (Atlantic Time) on February 16, 2018** (the "**Claims Bar Date**").

All Proofs of Claim for **Restructuring Period Claims** (i.e. Claims against the Company arising on or after the Effective Date) must be received by the **Monitor before the later of 5:00 p.m. (Atlantic Time) (i) on February 16, 2018, and (ii) on the date that is seven (7) Business Days after the effective date of the termination, repudiation or cancellation of the agreement or other event giving rise to the Restructuring Period Claim** (the "**Restructuring Period Claims Bar Date**").

**PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or *the* Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan in respect of such Claims.

All Claims denominated in foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for the applicable currency in effect as of the date of the Initial CCAA Order.

Additional Proof of Claim forms can be obtained by contacting the Monitor at the telephone number and address indicated above and providing particulars as to your name, address and facsimile number.

DATED at Halifax, Nova Scotia this 11<sup>th</sup> day of January, 2018.

BDO Canada Limited

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**NOTICE TO CREDITORS AND OTHERS OF FILING OF CLAIMS AS AGAINST:  
ATLANTICA DIVERSIFIED TRANSPORTATION SYSTEMS INC. (the "Company")  
and/or its Directors or Officers**

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**RE: NOTICE OF CLAIMS PROCEDURE AND CLAIMS BAR DATE**

This notice is being published pursuant to an Order of the Court of Supreme Court of Nova Scotia made December 22, 2017 (the "**Claims Procedure Order**"). The Court has ordered that the Court-appointed Monitor of the Company, BDO Canada Limited (the "**Monitor**"), assist the Company with conducting a claims procedure (the "**Claims Procedure**") with respect to certain claims against the Company and its present and former Directors and Officers ("**Directors/Officers**"). The Monitor is required to send Proof of Claim Document Packages to the Company's Known Creditors. All capitalized terms herein shall have the meaning given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Proof of Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's website at <http://extranets.bdo.ca/adts/index.cfm>.

**THE CLAIMS BAR DATE is 5:00 p.m. (Atlantic Time) on February 16, 2018.** Proofs of Claim in respect of Prefiling Claims and Director/Officer Claims must be completed and filed with the Monitor on or before the Claims Bar Date.

**THE RESTRUCTURING PERIOD CLAIMS BAR DATE is 5:00 p.m. (Atlantic Time) on the later of (i) February 16, 2018 or (ii) the date that is seven (7) Business Days after the effective date of the termination, repudiation or cancellation of the agreement or other event giving rise to the Restructuring Period Claim.** Proofs of Claim in respect of Restructuring Period Claims must be completed and filed with the Monitor on or before the Restructuring Period Claims Bar Date.

**PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR RESTRUCTURING PERIOD CLAIMS BAR DATE, AS APPLICABLE, OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.** If you do not file a Proof of Claim in respect of a Claim by the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, you shall not be entitled to vote at any Meeting regarding a Plan or participate in any distribution under a Plan in respect of such Claims.

Reference should be made to the enclosed material for the complete definitions of "**Claim**", "**Prefiling Claim**", "**Restructuring Period Claim**" and "**Director/Officer Claim**" to which the Claims Procedure applies.

BDO Canada Limited, as Court-appointed Monitor  
Attention: Phil Clarke  
201-255 Lacewood Drive  
Halifax NS B3M 4G2

Tel No: (902) 425-3100  
Fax No: (902) 425-3777  
Email: [pclarke@bdo.ca](mailto:pclarke@bdo.ca)

DATED at Halifax, Nova Scotia, this 11<sup>th</sup> day of January, 2018.

BDO Canada Limited

2017

Hfx No. 470769

**SUPREME COURT OF NOVA SCOTIA**  
In Bankruptcy and Insolvency

IN THE MATTER OF:     The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36,  
as amended

IN THE MATTER OF:     A Plan of Compromise or Arrangement of Atlantica Diversified  
Transportation Systems Inc.

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**PROOF OF CLAIM**

**ATLANTICA DIVERSIFIED TRANSPORTATION SYSTEMS INC. (the "Applicant") and/or  
its Directors or Officers**

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**Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.**

**I. PARTICULARS OF CREDITOR:**

1.           Full Legal Name of Creditor: \_\_\_\_\_ (the  
"Creditor").

2.           Full Mailing Address of the Creditor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.           Telephone Number: \_\_\_\_\_

4.           E-Mail Address: \_\_\_\_\_

5.           Facsimile Number: \_\_\_\_\_

6.           Attention (Contact Person): \_\_\_\_\_



7. Have you acquired this Claim by assignment?

Yes:  No:  (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Creditor(s): \_\_\_\_\_

## II. PROOF OF CLAIM

1. I, \_\_\_\_\_, (name of Creditor or Representative of the Creditor), of \_\_\_\_\_, (city and province) do hereby certify:

(a) \_\_\_\_\_ that I [check one]

am the Creditor; OR

am \_\_\_\_\_ (state position or title) of \_\_\_\_\_ (name of Creditor)

(b) \_\_\_\_\_ that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) \_\_\_\_\_ that the Company and/or the Directors/Officers of the Company were and still are indebted to the Creditor as follows:

*(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at December 7, 2017. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$1.00/ USD\$0.779074.)*

(i) PRE-FILING CLAIMS AGAINST THE COMPANY:

\_\_\_\_\_ (insert \$ value of claim) CAD.

(ii) RESTRUCTURING PERIOD CLAIMS AGAINST THE COMPANY:

(insert \$ value of claim) CAD.

(iii) DIRECTOR/OFFICER CLAIMS AGAINST THE DIRECTORS/ OFFICERS OF THE COMPANY:

(insert \$ value of claim) CAD.

(iv) TOTAL CLAIM:

\_\_\_\_\_ (insert total of (i), (ii) and (iii) above) CAD.

## III. NATURE OF CLAIM

(check one and complete appropriate category)

- (a)  UNSECURED CLAIM OF \$ \_\_\_\_\_. In respect of this debt, I do not hold any \_\_\_\_\_ security and: (check appropriate description)
- (i)  Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").
- (ii)  Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the BIA or would claim such a priority if this Proof of Claim were being filed in accordance with the BIA. (Set out on an attached sheet details to support any priority claim.)
- (b)  SECURED CLAIM OF \$ \_\_\_\_\_. In respect of this debt, I hold security valued at \$ \_\_\_\_\_, particulars of which are attached to this Proof of Claim form. (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

#### IV. PARTICULARS OF CLAIM

The particulars of the undersigned's total Claim (including Prefiling Claims, Restructuring Period Claims and Director/Officer Claims) are attached.

*(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)*

#### V. FILING OF CLAIM

For Prefiling Claims and all Director/Officer Claims, this Proof of Claim must be received by the Monitor before 5:00 p.m. (Atlantic Time) on February 16, 2018 (the "**Claims Bar Date**").

For Restructuring Period Claims, this Proof of Claim must be received by the Monitor before 5:00 p.m. (Atlantic Time) on the later of (i) February 16, 2018, and (ii) the date that is seven (7) Business Days after termination, repudiation or cancellation of the agreement or other event giving rise to the Restructuring Period Claim (the "**Restructuring Period Claims Bar Date**").

In both cases, completed forms must be delivered by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

BDO Canada Limited, as Court-appointed Monitor  
Attention: Phil Clarke  
201-255 Lacewood Drive  
Halifax NS B3M 4G2

Tel No: (902) 425-3100  
Fax No: (902) 425-3777  
Email: [pclarke@bdo.ca](mailto:pclarke@bdo.ca)

**A failure to file your Proof of Claim as directed by the Claims Bar Date or Restructuring Period Claims Bar Date, as applicable, will result in your Claim being extinguished and barred and in you being prevented from making or enforcing a Claim against the Debtor or an Director/Officer, as applicable.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Signature of Creditor

# **EXHIBIT 4**



BDO Canada Limited

Suite 201, 255 Lacewood Drive  
Halifax, Nova Scotia B3M 4G2  
Telephone: (902) 425-3100  
Fax: (902) 425-3777  
Toll Free: (800) 337-5764  
Email [insol-halifax@bdo.ca](mailto:insol-halifax@bdo.ca)  
[www.bdo.ca](http://www.bdo.ca) or [www.bdodebthelp.ca](http://www.bdodebthelp.ca)

**VIA EMAIL**

January 23, 2018

Matthew Moir  
Weldon McInnis  
118 Ochterloney Street  
Dartmouth NS B2Y 1C7  
[mmoir@welconmcinnis.ca](mailto:mmoir@welconmcinnis.ca)

D. Bruce Clarke, Q.C.  
Burchells LLP  
1800-1801 Hollis Street  
Halifax NS B3J 3N4  
[bclarke@burchells.ca](mailto:bclarke@burchells.ca)

Mr. Moir / Mr. Clarke:

On December 7, 2017, the Supreme Court of Nova Scotia, In Bankruptcy and Insolvency, issued a stay of proceedings ("Initial Stay") under the Companies Creditors Arrangement Act ("CCAA") against all creditors of Atlantica Diversified Transportation Systems Inc. ("ADTS"). At the same time, the Supreme Court of Nova Scotia, and all parties present, agreed to a second hearing date of December 22, 2017.

On December 21, 2017, the Monitor was advised by ADTS that TWL refused to release six (6) trailers owned by ADTS. None of the six (6) trailers subject to this dispute are leased from TWL. The trailers are located in Mississauga, Ontario. To resolve the situation, the parties consented to the following order issued by the Supreme Court of Nova Scotia on December 22, 2017:

*Paragraph 6 – "Upon TrailerWizards having asserted a possessory lien on certain trailers owned by the Applicant, the Monitor is directed to provide an initial ruling on the validity and quantum of such possessory lien. The Applicant is permitted to pay any amount accepted by the Monitor as a valid possessory lien. Once that amount is paid, TrailerWizards shall release the trailers to the Applicant. Such release of trailers in accordance with this order shall not release or affect the priority of any remaining possessory lien held by TrailerWizards, which lien may be asserted in the Claims Process of the Applicant"*

The Monitor received the materials from Trailer Wizards Ltd. ("TWL") in support of its possessory liens on January 12, 2018. That information was shared with ADTS who responded on January 17, 2018. The Monitor thanks both parties for their timely responses.

Sydney Office:  
Suite 301, 295 George Street  
Sydney, Nova Scotia B1P 1J7

Toll Free: (888) 666-5764  
Telephone: (902) 539-9850  
Fax: (902) 539-5373  
Email: [insol-sydney@bdo.ca](mailto:insol-sydney@bdo.ca)

Appointments also held in other  
locations in Nova Scotia

**(Formerly BDO Dunwoody Goodman Rosen Inc.)**

TWL provided copies of the repair invoices claimed. No additional supporting documentation was provided. An email string provided in support of the claim for unit 392 did not match the work order number, purchase order number, or any of the details on the associated invoice (different dates and amount). It appears unrelated.

TWL has asserted that its fees and prices are common within the industry. TWL has calculated the storage fee at \$25 per day.

A summary of the claim is outlined below:

	Unit	PO	W/O No.	REPAIR				STORAGE			
				Open Date	Close Date	Invoice Date	Invoice #	Invoice Amt	In	Out	Storage Fee
ON	3369		629092	05/09/2017	11/01/2017	11/06/2017	11816554	947.54	21-Apr-17	10-Jan-18	6,600.00
QC	3003	11299	657513	07/25/2017	07/25/2017	10/10/2017	11815217	263.01	26-Oct-17	10-Jan-18	1,900.00
QC	3003	11299	661654	07/28/2017	07/28/2017	10/31/2017	11816232	869.54	see above		
QC	392	AB268282	667368	11/24/2017	12/05/2017	12/31/2017	11819129	793.29	24-Nov-17	05-Dec-17	650.00
QC	428	Scott	669248	12/06/2017	12/18/2017	12/31/2017	11819130	420.97	06-Dec-17	18-Dec-17	325.00
ON	3035	ON HOLD	657975	10/12/2017	01/12/2018	01/12/2018	11819668	1,495.18	10-Oct-17	10-Jan-18	2,300.00
ON	3310								10-Oct-17	10-Jan-18	2,300.00
ON	3354								10-Jul-17	10-Jan-18	4,400.00
ON	3350								06-Apr-17	10-Jan-18	6,975.00
ON	3031								12-Sep-17	10-Jan-18	3,000.00
ON	3341								04-Jul-17	10-Jan-18	4,750.00
								4,789.53			33,200.00

ADTS reviewed the claim and does not dispute any of the repair charges. The dispute the entirety of the storage charges.

Based on the materials submitted to the Monitor by TWL, and the response provided by ADTS, it appears as if the possessory lien claimed by TWL is not valid:

- The trailers being held by TWL is located in Ontario. The claims for storage in Quebec appear unrelated to those six (6) trailers being held by TWL;
- The claim by TWL relates to ten (10) trailers while only 6 (six) are in the possession of TWL;
- The agreed upon service between TWL and ADTS was for repair, not storage. There is no evidence that there was an "understanding" between the parties that ADTS would pay storage fees.; and
- The storage period does not appear to be reasonable as it assumes collecting storage fees during the period after which ADTS attempted to retrieve the trailers, but was refused, and for storage fees only to January 10, 2018 when TWL remains in possession.

Taking into consideration all the information provided to the Monitor, the storage fees do not appear related to the agreement between TWL and ADTS, nor plausible.

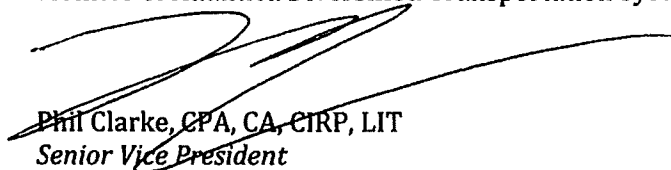
It is the Monitor's recommendation that ADTS pay TWL \$2,442.72 representing the repair invoices outstanding for repair work done in Ontario (units 3369 and untis 3035). On payment, TWL should release the six (6) trailers to ADTS.

The Monitor is providing this initial ruling in accordance with the December 22, 2017 order of the Supreme Court of Nova Scotia in the the matter of the CCAA of ADTS. The Monitor is not a lawyer nor member of the judiciary in any jurisdiction and does not represent to be one.

TWL is free to pursue the remaining portion during the Claims Process as Paragraph 6 of the December 22, 2017 order states.

Regards,

BDO Canada Limited in its capacity as  
Monitor of Atlantica Diversified Transportation Systems Inc.



Phil Clarke, CPA, CA, CIRP, LIT  
*Senior Vice President*

Cc Adam Crane

# **EXHIBIT 5**



**Atlantica**  
**WCB CALCULATIONS**

	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Driver Payroll	168,140	171,893	175,646	175,646	179,667	183,688	187,710	191,731
Corporate Payroll	61,340	61,340	61,340	61,340	92,010	58,533	58,533	58,533
	<u>229,480</u>	<u>233,233</u>	<u>236,986</u>	<u>236,986</u>	<u>271,678</u>	<u>242,221</u>	<u>246,242</u>	<u>250,263</u>
Total NS Payroll (47%)	114,740	116,617	118,493	118,493	135,839	121,111	123,121	125,132
NS WCB Rate (6.99%)	8,020	8,152	8,283	8,283	9,495	8,466	8,606	8,747
Total Other Payroll (53%)	121,624	123,614	125,603	125,603	143,989	128,377	130,508	132,640
WCB Rate (3.03%)	3,685	3,745	3,806	3,806	4,363	3,890	3,954	4,019
<b>TOTAL WCB PREMIUMS</b>	<u><b>11,706</b></u>	<u><b>11,897</b></u>	<u><b>12,088</b></u>	<u><b>12,088</b></u>	<u><b>13,858</b></u>	<u><b>12,355</b></u>	<u><b>12,561</b></u>	<u><b>12,766</b></u>

# **EXHIBIT 6**



# **EXHIBIT 7**



Tax Services Office  
Halifax NS B3J 2T5

January 11, 2018

ATTENTION: PHIL CLARKE  
BDO CANADA LLP  
255 LACEWOOD DRIVE  
SUITE 201  
HALIFAX NS B3M 4G2

Dear Mr. Clarke:

Re: Atlantica Diversified Transportation Systems Inc.

We are writing in connection with your request for a breakdown of source deduction and Harmonized Sales Tax liabilities due by Atlantica Diversified Transportation Systems Inc. ("ADTS").

The information provided is not definitive and is subject to verification given the pending trust account examination results.

Source Deduction Account Liability:

Period (2016)	September	October	December
Balance	121,855.16	240,217.58	77,159.49
Interest	5,072.73	9,514.60	2,292.27
Penalty	12,185.52	24,021.76	7,715.95
Total	139,113.41	273,753.94	87,167.71

Period (2017)	January	February	March	April
Balance	61,799.36	127,628.14	125,917.12	144,430.79
Interest	1,499.29	2,722.06	2,166.44	2,028.16
Penalty	6,179.94	12,762.82	12,591.71	14,443.08
Total	69,478.59	143,113.02	140,675.27	160,902.03

.../2



	May	June	July
Balance	134,240.47	186,581.77	56,321.34
Interest	1,331.43	895.25	84.93
Penalty	13,424.04	18,658.18	5,632.13
Total	148,995.94	206,135.20	62,038.40

The effective interest date of the above totals is July 28, 2017. There is a total of \$13,952.89 in uncharged interest as at today's date. Note as well that the outstanding amount above for July of 2017 does not include any amounts which may have been required to be remitted for the last pay period of that month.

The current total outstanding source deductions liability is \$1,462,173.54 which also includes a prior balance existing at the time of assessment, comprised solely of interest and penalties pertaining to late remittances.

One remittance has been made on the source deductions account of ADTS since the completion of the last trust exam. It was bank remitted for a total of \$58,916.39. This remittance was received on October 27, 2017 and is allocated to October (3) of last year.

ADTS is an accelerated remitter. All remittances since the completion of the last trust exam, with exception of the one noted above, remain due and outstanding.

In addition to the source deductions liabilities detailed above, ADTS is also liable to the Crown for Harmonized Sales Tax as outlined below.

Filing Period	2017-07-01 to 2017-07-31	2017-06-01 to 2017-06-30	2017-05-01 to 2017-05-31
Net Tax	12,063.33	6,679.96	164,912.83
Interest	163.02	119.09	4,843.64
Penalty			2,330.21
Total	12,226.35	6,799.05	172,086.68

There is currently one outstanding monthly return due for the period ending November 30, 2017.

I trust this information will serve to satisfy your request. Please contact me directly should you have any questions or concerns.

Yours truly,

A handwritten signature in dark ink, appearing to read 'M. Lohnes', is written over a faint, light-colored printed signature line.

M.Lohnes (1203)  
Resource/Complex Case Officer

## **EXHIBIT 8.1**





### Payroll Examination Statement of Account

Taxpayer's Name <b>ATLANTICA DIVERSIFIED TRANSPORTATION SYSTEMS INC.</b>		Date <b>2018-01-11</b>	
Taxpayer's Address <b>19- 10 MORRIS DR</b>		Collections Section Contact <b>M. LOHNES</b>	
<b>DARTMOUTH, NS B3B 1K8</b>		Collections Section Telephone <b>(902)450-8187</b>	
Account Number <b>101307494RP0001</b>		Tax Services Office <b>1203 Nova Scotia</b>	
An examination of your payroll records performed on <b>2018-01-11</b>		covering the period(s) from <b>2016-01-01</b> to <b>2018-01-07</b>	
discloses discrepancies in your remittances as follows:			
Details	Current Year	Previous Year	Previous Year(s)
	<u>2018</u> \$	<u>2017</u> \$	<u>2016</u> \$
Total deductions and taxpayer's obligation		<b>1,603,705.42</b>	<b>3,437,895.96</b>
Total credits to date		<b>954,733.27</b>	<b>3,437,895.87</b>
Adjustments		<b>0.04</b>	<b>0.09</b>
Difference		<b>648,972.11</b>	<b>0.00</b>
Corrections re EI and/or CPP (See PD86 attached)		<b>0.00</b>	<b>0.00</b>
Balance		<b>648,972.11</b>	<b>0.00</b>
Failure to remit penalty		<b>120,959.63</b>	<b>0.00</b>
Interest		<b>7,862.00</b>	<b>0.00</b>
Late remitting penalty		<b>0.00</b>	<b>0.00</b>
Failure to deduct penalty		<b>0.00</b>	<b>0.00</b>
Late filing penalty		<b>0.00</b>	<b>0.00</b>
Mandatory electronic filing penalty		<b>0.00</b>	<b>0.00</b>
Total owing		<b>777,793.74</b>	<b>0.00</b>
Total arrears disclosed during examination		<b>777,793.74</b>	
Previous arrears		<b>1,462,173.54</b>	
Adjustments (Previous arrears)		<b>0.00</b>	
Interest to date on previous arrears		<b>0.00</b>	
Sub total		<b>2,239,967.28</b>	
Less: Current payment		<b>0.00</b>	
Balance due		<b>2,239,967.28</b>	

A notice of assessment will follow shortly. However, the amount owing is due and payable immediately and you are therefore required to provide the examination officer with the appropriate payment. Failure to do so may result in legal proceedings either by way of garnishee or action in the Federal Court which could result in seizure and sale of your assets.

<b>DON MACDONALD</b> _____ For Assistant Director, Revenue Collections Division	<b>2018-01-11</b> _____ Date	_____ Signature for receipt only of this statement
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## Penalties for failure to comply

Every employer or person who deducts or withholds any amount under the *Income Tax Act*, the Canada Pension Plan and the *Employment Insurance Act*, shall be deemed to hold the amount so deducted or withheld in trust for Her Majesty. All amounts so deducted or withheld are trust funds and in the event of any liquidation, assignment, receivership or bankruptcy, the said amounts shall be deemed to be separate and form no part of the estate in liquidation, assignment, receivership or bankruptcy.

An employer or person who fails to deduct or who fails to remit tax that was deducted may be prosecuted and if convicted, will be fined not less than \$1,000 and not exceeding \$25,000, or may be fined and imprisoned for a period not exceeding 12 months. If the employer is a corporation, **any officer, director or agent** of the corporation who participated or acquiesced in the commission of the offence is equally liable with the corporation.

As of 2015 large employers, whose "average monthly withholding amount" (AMWA) is between \$25,000 and \$99,999 (Threshold 1) and those with an "AMWA" of \$100,000 or more (Threshold 2) are required to remit on an accelerated basis. For threshold 1 employers, withholdings from paydays occurring during the first 15 days of the month must be received by the 25th of that month and withholdings from paydays occurring during the remainder of the month must be received by the 10th day of the next month. Threshold 2 employers are required to remit withholdings by the 3rd day (not including a Saturday, a Sunday or a holiday) from the end of defined periods in which the payday(s) occur. The periods are: from the 1st to the 7th, the 8th to the 14th, the 15th to the 21st and the 22nd to the end of the month. Regular employers will continue to remit withholdings by the 15th day of the month following the month in which the amounts were deducted or withheld.

Amounts greater than \$500, that are remitted late or that are deficient (**except for wilful delays or deficiencies**) are subject to penalties under the *Income Tax Act*. The rate is 10% for the first late penalty assessed and 20% on subsequent late penalties assessed for the same calendar year, when the subsequent failure was made knowingly or under circumstances amounting to gross negligence. If it is determined that the payment is **wilfully** late or deficient, the \$500 exemption will not be given. Daily compound interest at the prescribed rate is charged on all outstanding balances, by law.

## Liability of Directors

Where a corporation has failed to deduct or withhold an amount or has failed to remit such an amount as required under the *Income Tax Act* (or any other act for which the Minister is administratively responsible), the **Directors** of the corporation at the time the corporation was required to deduct, withhold or remit **may be jointly and severally liable, together with the corporation**, to pay any amount that the corporation is liable to pay in respect of that amount, including any interest or penalties relating thereto.

However, a director who exercises the degree of care, diligence, and skill that a reasonably prudent person would exercise will not be liable. To benefit from this provision, a director should take positive action to ensure the corporation makes the necessary deductions and remittances. For further details regarding the joint and several liability of directors, you may wish to refer to Information Circular 89-2R3, a copy of which may be obtained from your tax services office.

This examination does not constitute a complete audit of the financial records and does not preclude another audit being performed.

## **EXHIBIT 8.2**

# 2016 Examination Details

Account Number 101307494RP0001

Exam EID

2018-01-11 Remitter Type Threshold 2

Account Name ATLANTICA DIVERSIFIED TRANSPORTATION ARREARS EID SYSTEMS INC.

2018-01-11

Totals	Period	January	January	January	January	February	February	February	February	March	March	March	March
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-29	01-07	08-14	15-21	22-31
2,100,156.33	Tax	0.00	0.00	68,337.73	87,256.39	0.00	84,535.89	0.00	84,865.20	0.00	86,232.09	0.00	107,521.42
447,801.45	CPP(Employee)	0.00	0.00	16,366.24	19,802.25	0.00	19,514.03	0.00	19,324.22	0.00	19,693.89	0.00	22,529.69
447,801.45	CPP(Employer)	0.00	0.00	16,366.24	19,802.25	0.00	19,514.03	0.00	19,324.22	0.00	19,693.89	0.00	22,529.69
184,223.64	EI(Employee)	0.00	0.00	6,725.65	8,151.28	0.00	8,006.20	0.00	7,929.43	0.00	8,053.60	0.00	9,215.35
257,913.09	EI(Employer)	0.00	0.00	9,415.91	11,411.79	0.00	11,208.68	0.00	11,101.20	0.00	11,275.04	0.00	12,901.49
3,437,895.96	Total Deductions	0.00	0.00	117,211.77	146,423.96	0.00	142,778.83	0.00	142,544.27	0.00	144,948.51	0.00	174,697.64
0.00	PD86 Failure to Deduct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,437,895.96	Total Required Deductions	0.00	0.00	117,211.77	146,423.96	0.00	142,778.83	0.00	142,544.27	0.00	144,948.51	0.00	174,697.64
3,437,895.87	Amount Remitted	0.00	0.00	117,211.77	146,423.96	0.00	142,778.84	0.00	142,544.27	0.00	144,948.51	0.00	174,697.64
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.09	Adjustment (Debit/Credit)	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit	0.00	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10
0.00	Sub Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit Carried Forward	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.00	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Penalty												
	Knowinglly												
	Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
0.00	Failure to Remit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty												
0.00	Mandatory Electronic Filing Penalty												
0.00	Period Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# 2016 Examination Details

Account Number 101307494RP0001 Exam EID 2018-01-11 Remitter Type Threshold 2  
 Account Name ATLANTICA DIVERSIFIED TRANSPORTATIONArrears EID 2018-01-11  
 SYSTEMS INC.

Totals	Period	April	April	April	April	May	May	May	May	June	June	June	June
		01-07	08-14	15-21	22-30	01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30
2,100,156.33	Tax	0.00	90,899.42	0.00	85,638.89	85,834.19	0.00	87,317.65	0.00	87,281.31	0.00	86,916.39	0.00
447,801.45	CPP(Employee)	0.00	20,027.84	0.00	19,164.02	19,064.32	0.00	19,361.82	0.00	19,359.16	0.00	18,929.90	0.00
447,801.45	CPP(Employer)	0.00	20,027.84	0.00	19,164.02	19,064.32	0.00	19,361.82	0.00	19,359.16	0.00	18,929.90	0.00
184,223.64	EI(Employee)	0.00	8,564.51	0.00	7,920.02	7,913.10	0.00	8,079.67	0.00	8,118.57	0.00	8,021.73	0.00
257,913.09	EI(Employer)	0.00	11,990.31	0.00	11,088.03	11,078.34	0.00	11,311.54	0.00	11,366.00	0.00	11,230.42	0.00
3,437,895.96	Total Deductions	0.00	151,509.92	0.00	142,974.98	142,954.27	0.00	145,432.50	0.00	145,484.20	0.00	144,028.34	0.00
0.00	PD86 Failure to Deduct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,437,895.96	Total Required Deductions	0.00	151,509.92	0.00	142,974.98	142,954.27	0.00	145,432.50	0.00	145,484.20	0.00	144,028.34	0.00
3,437,895.87	Amount Remitted	0.00	151,509.92	0.00	142,974.98	142,954.27	0.00	145,432.50	0.00	145,484.20	0.00	144,028.34	0.00
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.09	Adjustment (Debit/Credit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.00	Sub Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit Carried Forward	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.00	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Penalty												
	Knowinglly												
	Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
0.00	Failure to Remit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty												
0.00	Mandatory Electronic Filing Penalty												
0.00	Period Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# 2016 Examination Details

Account Number 101307494RP0001 Exam EID 2018-01-11 Remitter Type Threshold 2  
 Account Name ATLANTICA DIVERSIFIED TRANSPORTATION Arrears EID 2018-01-11  
 SYSTEMS INC.

Totals	Period	July	July	July	July	August	August	August	August	September	September	September	September	
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30	
2,100,156.33	Tax	86,316.17	0.00	89,925.57	97,002.83	0.00	86,672.08	0.00	88,368.36	0.00	86,513.10	0.00	74,352.50	
447,801.45	Deducted	CPP(Employee)	19,196.90	0.00	19,007.18	19,815.82	0.00	18,198.77	0.00	18,211.35	0.00	17,961.98	0.00	15,509.60
447,801.45		CPP(Employer)	19,196.90	0.00	19,007.18	19,815.82	0.00	18,198.77	0.00	18,211.35	0.00	17,961.98	0.00	15,509.60
184,223.64		EI(Employee)	8,121.38	0.00	8,041.59	8,319.30	0.00	7,734.96	0.00	7,762.20	0.00	7,511.50	0.00	6,359.60
257,913.09		EI(Employer)	11,369.93	0.00	11,258.23	11,647.02	0.00	10,828.94	0.00	10,867.08	0.00	10,516.10	0.00	8,903.44
3,437,895.96	Total Deductions	144,201.28	0.00	147,239.75	156,600.79	0.00	141,633.52	0.00	143,420.34	0.00	140,464.66	0.00	120,634.74	
0.00	PD86 Failure to Deduct	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00		CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00		EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00		EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,437,895.96	Total Required Deductions	144,201.28	0.00	147,239.75	156,600.79	0.00	141,633.52	0.00	143,420.34	0.00	140,464.66	0.00	120,634.74	
3,437,895.87	Amount Remitted	144,201.28	0.00	147,239.75	156,600.85	0.00	141,633.52	0.00	143,420.34	0.00	140,464.66	0.00	120,634.74	
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.09	Adjustment (Debit/Credit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Credit	0.10	0.10	0.10	0.10	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	
0.00	Sub Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Credit Carried Forward	0.10	0.10	0.10	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	
0.00	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Penalty	Knowingly												
		Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
0.00	Failure to Remit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	Late Filing Penalty													
0.00	Mandatory Electronic Filing Penalty													
0.00	Period Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

# 2016 Examination Details

PROTECTED B

Account Number 101307494RP0001

Exam EID

2018-01-11 Remitter Type Threshold 2

Account Name ATLANTICA DIVERSIFIED TRANSPORTATION ARREARS EID SYSTEMS INC.

2018-01-11

Totals	Period	October	October	October	October	November	November	November	November	December	December	December	December
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30	01-07	08-14	15-21	22-31
2,100,156.33	Tax	72,856.86	0.00	78,659.73	0.00	71,762.71	0.00	77,337.67	0.00	51,417.57	0.00	49,015.60	47,319.01
447,801.45	CPP(Employee)	14,998.01	0.00	15,251.33	0.00	13,953.11	0.00	14,343.89	0.00	9,583.40	0.00	8,712.57	9,920.16
447,801.45	CPP(Employer)	14,998.01	0.00	15,251.33	0.00	13,953.11	0.00	14,343.89	0.00	9,583.40	0.00	8,712.57	9,920.16
184,223.64	EI(Employee)	6,129.25	0.00	6,130.22	0.00	5,604.75	0.00	5,396.08	0.00	3,684.32	0.00	3,394.90	3,334.48
257,913.09	EI(Employer)	8,580.95	0.00	8,582.31	0.00	7,846.65	0.00	7,554.51	0.00	5,158.05	0.00	4,752.86	4,668.27
3,437,895.96	Total Deductions	117,563.08	0.00	123,874.92	0.00	113,120.33	0.00	118,976.04	0.00	79,426.74	0.00	74,588.50	75,162.08
0.00	PD86 Failure to Deduct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,437,895.96	Total Required Deductions	117,563.08	0.00	123,874.92	0.00	113,120.33	0.00	118,976.04	0.00	79,426.74	0.00	74,588.50	75,162.08
3,437,895.87	Amount Remitted	117,563.08	0.00	123,874.92	0.00	113,120.34	0.00	118,976.05	3,374.20	79,426.74	0.00	74,588.50	71,787.70
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.09	Adjustment (Debit/Credit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit	0.16	0.16	0.16	0.16	0.16	0.17	0.17	0.18	3,374.38	3,374.38	3,374.38	3,374.38
0.00	Sub Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit Carried Forward	0.16	0.16	0.16	0.16	0.17	0.17	0.18	3,374.38	3,374.38	3,374.38	3,374.38	0.00
0.00	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Penalty												
	Knowinglly												
	Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
0.00	Failure to Remit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty												
0.00	Mandatory Electronic Filing Penalty												
0.00	Period Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## **EXHIBIT 8.3**



# 2017 Examination Details

Account Number 101307494RP0001 Exam EID 2018-01-11 Remitter Type Threshold 2  
 Account Name ATLANTICA DIVERSIFIED TRANSPORTATION Arrears EID 2018-01-11  
 SYSTEMS INC.

Totals	Period	January	January	January	January	February	February	February	February	March	March	March	March
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-28	01-07	08-14	15-21	22-31
996,212.65	Tax	0.00	35,481.36	0.00	36,987.01	0.00	38,804.74	0.00	37,801.43	0.00	37,493.63	0.00	40,385.50
209,768.48	CPP(Employee)	0.00	8,055.92	0.00	8,622.35	0.00	8,849.63	0.00	8,793.58	0.00	8,687.58	0.00	9,233.05
209,768.48	CPP(Employer)	0.00	8,055.92	0.00	8,622.35	0.00	8,849.63	0.00	8,793.58	0.00	8,687.58	0.00	9,233.05
78,314.92	EI(Employee)	0.00	3,043.62	0.00	3,205.00	0.00	3,294.53	0.00	3,261.95	0.00	3,262.94	0.00	3,392.00
109,640.89	EI(Employer)	0.00	4,261.07	0.00	4,487.00	0.00	4,612.34	0.00	4,566.73	0.00	4,568.12	0.00	4,748.80
1,603,705.42	Total Deductions	0.00	58,897.89	0.00	61,923.71	0.00	64,410.87	0.00	63,217.27	0.00	62,699.85	0.00	66,992.40
0.00	PD86 Failure to Deduct	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,603,705.42	Total Required Deductions	0.00	58,897.89	0.00	61,923.71	0.00	64,410.87	0.00	63,217.27	0.00	62,699.85	0.00	66,992.40
954,733.27	Amount Remitted	0.00	58,897.89	0.00	61,799.36	0.00	64,410.86	0.00	63,217.28	0.00	63,217.28	0.00	62,699.84
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.04	Adjustment (Debit/Credit)	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit	0.00	0.04	0.04	0.04	0.00	0.00	0.00	0.00	0.01	0.01	517.44	517.44
648,972.11	Sub Balance	0.00	0.00	0.00	124.31	0.00	0.01	0.00	0.00	0.00	0.00	0.00	3,775.12
	Credit Carried Forward	0.04	0.04	0.04	0.00	0.00	0.00	0.00	0.01	0.01	517.44	517.44	0.00
7,862.00	Interest	0.00	0.00	0.00	6.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149.22
	Penalty												
	Knowingly												
	Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
120,959.63	Failure to Remit	0.00	0.00	0.00	12.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	377.51
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty												
0.00	Mandatory Electronic Filing Penalty												
777,793.74	Period Balance	0.00	0.00	0.00	143.58	0.00	0.01	0.00	0.00	0.00	0.00	0.00	4,301.85

# 2017 Examination Details

Account Number 101307494RP0001 Exam EID 2018-01-11 Remitter Type Threshold 2  
 Account Name ATLANTICA DIVERSIFIED TRANSPORTATIONArrears EID 2018-01-11  
 SYSTEMS INC.

Totals	Period	April	April	April	April	May	May	May	May	June	June	June	June
		01-07	08-14	15-21	22-30	01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30
996,212.65	Tax	42,580.51	0.00	45,652.31	0.00	41,521.02	0.00	40,939.68	0.00	42,050.23	0.00	37,819.61	35,572.09
209,768.48	CPP(Employee)	9,551.46	0.00	9,901.19	0.00	8,978.99	0.00	8,868.72	0.00	8,718.00	0.00	8,113.53	7,403.97
209,768.48	CPP(Employer)	9,551.46	0.00	9,901.19	0.00	8,978.99	0.00	8,868.72	0.00	8,718.00	0.00	8,113.53	7,403.97
78,314.92	EI(Employee)	3,526.98	0.00	3,678.30	0.00	3,372.06	0.00	3,329.75	0.00	3,310.35	0.00	3,065.06	2,896.97
109,640.89	EI(Employer)	4,937.77	0.00	5,149.62	0.00	4,720.88	0.00	4,661.65	0.00	4,634.49	0.00	4,291.08	4,055.76
1,603,705.42	Total Deductions	70,148.18	0.00	74,282.61	0.00	67,571.94	0.00	66,668.52	0.00	67,431.07	0.00	61,402.81	57,332.76
0.00	PD86 Failure to Deduct	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,603,705.42	Total Required Deductions	70,148.18	0.00	74,282.61	0.00	67,571.94	0.00	66,668.52	0.00	67,431.07	0.00	61,402.81	57,332.76
954,733.27	Amount Remitted	70,148.18	0.00	74,282.61	0.00	67,571.94	0.00	66,668.53	0.00	67,846.70	0.00	61,402.82	57,332.75
0.00	Posted Credits - Memo Only	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.04	Adjustment (Debit/Credit)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	415.64	415.64	415.65
648,972.11	Sub Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit Carried Forward	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	415.64	415.64	415.65	415.64
7,862.00	Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Penalty	Knowinglly											
	Rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
120,959.63	Failure to Remit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Amount Late Remitted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty												
0.00	Mandatory Electronic Filing Penalty												
777,793.74	Period Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

# 2017 Examination Details

Account Number 101307494RP0001 Exam EID 2018-01-11 Remitter Type Threshold 2  
 Account Name ATLANTICA DIVERSIFIED TRANSPORTATIONArrears EID 2018-01-11  
 SYSTEMS INC.

Totals	Period	July	July	July	July	August	August	August	August	September	September	September	September	
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30	
996,212.65	Deducted	Tax	0.00	34,674.78	0.00	32,805.63	0.00	40,573.07	0.00	40,736.12	0.00	38,277.78	0.00	38,080.95
209,768.48		CPP(Employee)	0.00	7,396.13	0.00	7,177.29	0.00	8,364.23	0.00	8,448.27	0.00	8,170.30	0.00	7,848.69
209,768.48		CPP(Employer)	0.00	7,396.13	0.00	7,177.29	0.00	8,364.23	0.00	8,448.27	0.00	8,170.30	0.00	7,848.69
78,314.92		EI(Employee)	0.00	2,855.96	0.00	2,744.13	0.00	3,198.95	0.00	3,224.99	0.00	3,077.98	0.00	2,997.94
109,640.89		EI(Employer)	0.00	3,998.34	0.00	3,841.78	0.00	4,478.53	0.00	4,514.99	0.00	4,309.17	0.00	4,197.12
1,603,705.42	Total Deductions		0.00	56,321.34	0.00	53,746.12	0.00	64,979.01	0.00	65,372.64	0.00	62,005.53	0.00	60,973.39
0.00	PD86 Failure to Deduct	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,603,705.42	Total Required Deductions		0.00	56,321.34	0.00	53,746.12	0.00	64,979.01	0.00	65,372.64	0.00	62,005.53	0.00	60,973.39
954,733.27	Amount Remitted		0.00	56,320.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Posted Credits - Memo Only		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.04	Adjustment (Debit/Credit)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit		415.64	415.64	415.14	415.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
648,972.11	Sub Balance		0.00	0.00	0.00	53,330.98	0.00	64,979.01	0.00	65,372.64	0.00	62,005.53	0.00	60,973.39
	Credit Carried Forward		415.64	415.14	415.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7,862.00	Interest		0.00	0.00	0.00	1,189.19	0.00	1,321.65	0.00	1,156.28	0.00	984.48	0.00	840.93
	Penalty	Knowinglly												
		Rate	10.0%	10.0%	10.0%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
120,959.63	Failure to Remit		0.00	0.00	0.00	5,333.10	0.00	12,995.80	0.00	13,074.53	0.00	12,401.11	0.00	12,194.68
	Amount Late Remitted		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty													
0.00	Mandatory Electronic Filing Penalty													
777,793.74	Period Balance		0.00	0.00	0.00	59,853.27	0.00	79,296.46	0.00	79,603.45	0.00	75,391.12	0.00	74,009.00

# 2017 Examination Details

PROTECTED B

Account Number 101307494RP0001

Exam EID

2018-01-11 Remitter Type Threshold 2

Account Name ATLANTICA DIVERSIFIED TRANSPORTATION ARREARS EID  
SYSTEMS INC.

2018-01-11

Totals	Period	October	October	October	October	November	November	November	November	December	December	December	December	
		01-07	08-14	15-21	22-31	01-07	08-14	15-21	22-30	01-07	08-14	15-21	22-31	
996,212.65	Deducted	Tax	43,491.19	0.00	37,397.37	0.00	39,753.37	0.00	38,634.45	0.00	36,071.34	0.00	42,799.17	19,828.31
209,768.48		CPP(Employee)	8,630.19	0.00	7,843.77	0.00	7,800.56	0.00	7,178.57	0.00	6,667.00	0.00	6,552.68	3,912.83
209,768.48		CPP(Employer)	8,630.19	0.00	7,843.77	0.00	7,800.56	0.00	7,178.57	0.00	6,667.00	0.00	6,552.68	3,912.83
78,314.92		EI(Employee)	3,208.96	0.00	2,812.05	0.00	2,798.44	0.00	2,753.05	0.00	2,332.89	0.00	2,226.90	1,443.17
109,640.89		EI(Employer)	4,492.54	0.00	3,936.87	0.00	3,917.82	0.00	3,854.27	0.00	3,266.05	0.00	3,117.66	2,020.44
1,603,705.42	Total Deductions		68,453.07	0.00	59,833.83	0.00	62,070.75	0.00	59,598.91	0.00	55,004.28	0.00	61,249.09	31,117.58
0.00	PD86 Failure to Deduct	CPP(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		CPP(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		EI(Employee)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00		EI(Employer)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Total PD86 Discrepancies		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,603,705.42	Total Required Deductions		68,453.07	0.00	59,833.83	0.00	62,070.75	0.00	59,598.91	0.00	55,004.28	0.00	61,249.09	31,117.58
954,733.27	Amount Remitted		0.00	0.00	58,916.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Posted Credits - Memo Only		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.04	Adjustment (Debit/Credit)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Credit		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
648,972.11	Sub Balance		68,453.07	0.00	917.44	0.00	62,070.75	0.00	59,598.91	0.00	55,004.28	0.00	61,249.09	31,117.58
	Credit Carried Forward		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7,862.00	Interest		877.59	0.00	10.27	0.00	529.38	0.00	393.15	0.00	234.06	0.00	134.38	34.12
	Penalty	Knowinglly												
		Rate	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
120,959.63	Failure to Remit		13,690.61	0.00	183.49	0.00	12,414.15	0.00	11,919.78	0.00	11,000.86	0.00	12,249.82	3,111.76
	Amount Late Remitted		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Remitting Penalty		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Failure To Deduct Penalty		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	Late Filing Penalty													
0.00	Mandatory Electronic Filing Penalty													
777,793.74	Period Balance		83,021.27	0.00	1,111.20	0.00	75,014.28	0.00	71,911.84	0.00	66,239.20	0.00	73,633.29	34,263.46