



Resolution

Resolution of Board of Directors Re Membership Policy on “Change of Control” or “Sale as a Going Concern”

RESOLVED:

1. In the event of an occurrence resulting in a Change of Control, or a Sale as a Going concern, the Member (after the Change of Control or Sale as a Going Concern) retains membership in the Mid-Canada Marine Dealers Association provided:
 - a) that the Member shall have promptly provided all information concerning the Change of Control or Sale as a Going Concern, and such information as to the Member’s business and affairs as Mid-Canada Marine Dealers Association may reasonably request in order to establish and confirm the nature, scope of, and particulars of the occurrence/transaction resulting in the Change of Control or Sale as a Going Concern including post occurrence ownership; and;
 - b) in the event of failure of the Member to provide such information, the board of directors may, by resolution, immediately terminate such Member’s membership in the Mid-Canada Marine Dealers Association.
2. For purposes of clarity the following occurrences/transactions shall not constitute a “Change of Control” or a “Sale as a Going Concern” and on the occurrence of such an event the board of directors may, by resolution, immediately terminate such Member’s membership in the Mid-Canada Marine Dealer’s Association:
 - i) if the Member is a corporation, if its corporate existence ceases or if the Member is a partnership, a joint venture, a trust or other entity recognized at law, if its legal existence ceases;
 - ii) in the event of bankruptcy of insolvency of the Member;
 - iii) on the filing against the Member of a Petition in Bankruptcy;
 - iv) on the making of an assignment for the benefit of creditors by the Member;
 - v) on the appointment of a Receiver or Trustee for the Member or for any assets of the Member or the institution by or against the Member of any other type of insolvency proceedings under *The Bankruptcy And Insolvency Act* or otherwise in good faith;
 - vi) on the institution by or against the Member of any formal or informal proceeding for the dissolution of or liquidation of, settlement of claims against or winding up of the affairs of the Member;

- vii) if the Member ceases to carry on business or commits an act of bankruptcy; or if an execution, sequestration, extent or other process of any court becomes enforceable the Member and is not disputed;
- viii) if ownership of a Member's business changes by operation of law.

3. For the purpose of this resolution:

- a) the word "Person" shall include individuals, a corporation, a partnership, a joint venture, a trust or other entity recognized at law.
- b) The words "change of control" shall mean:
 - i) if the Member is a corporation and there is a change in ownership of its issued shares such that voting control changes hands (voting control means the right to exercise more than 50% of all voting rights attached to the Member's issued share capital); or if the Member is a partnership, a joint venture, a trust or other entity recognized at law, if the Member's ownership structure changes; or
 - ii) if the Member is a natural person, if the Member dies; or
 - iii) if the Member amalgamates with one or more other corporation.
- c) The words "Sale as a Going Concern" shall mean: if the Member shall sell, convey, transfer or assign substantially all of the property and assets used in connection with or otherwise relating to the business of the Member whether real or personal, tangible or intangible of any kind and description and wheresoever situate including real property or interests therein, leases of real property, machinery and equipment, vehicles, inventory, agreements, licenses and permits, intellectual property and goodwill or any one or more thereof with the intent that the purchaser will carry on the Member's business as a going concern.
- d) The word "Member" shall mean a Person; and where there is one or more individuals, corporations, or individuals or entities involved in a partnership, joint venture, trust or other entity recognized at law (a "Participant") when any one or more of such Participants is the subject of an occurrence of an event under paragraph 2 hereof, then paragraph 2 shall apply to the Member that the Participant is a party with.
