80QPP-D-022 Rev.# 03 Dated : 6th Sept. 2016



BAILMENT AGREEMENT

BETWEEN ABC Group Inc., with its head office located at 2 Norelco Drive, Toronto, ON, M9L 2X6 ("ABC Group") as Bailor and xxxxxxxxxxxx, (the "Bailee") as Bailee.

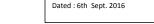
DATE: xxxxxxxxxxx

Purchase Order Number xxxxxxxx Issued by ABC Supreme Tooling Division (ASTD) attached to and forming part of this document.

The Bailee hereby acknowledges receipt from ABC Group of the goods/materials or tooling in your possession and to be described on the attached Schedule "A" (the "Property") in good order and condition.

The Bailee, in consideration of being allowed to use the Property, agrees to comply with the terms following terms and conditions:

- 1. The Bailee shall use all reasonable care to protect and preserve the Property and all other property which may subsequently be received by Bailee from ABC Group (the "other property") from loss or damage and shall be liable for any such loss or damage which may occur while the Property or other property is in the Bailee's possession.
- 2. All work to be done by the Bailee on behalf of ABC Group shall be done in a good and workmanlike manner in strict accordance with the plans, blueprints and specifications furnished to the Bailee while such Bailee is using the property.
- 3. The Bailee agrees to tag or stamp the Property and other property so that it is conspicuously identified as being the property of ABC Group or as ABC Group may otherwise direct as per Schedule B, 80QPP-F-061.
- 4. The Bailee agrees to keep the Property and other property fully insured at his/its own expense so long as he/it shall have possession of the Property to an amount not less than the full insurable value thereof with loss, if any, payable to ABC Group. The undersigned will forthwith, on demand obtain and deliver evidence of such insurance to ABC Group.
- 5. The Bailee agrees to use or operate the Property for no other purpose than that which is authorized in writing by ABC Group.
- 6. The Bailee agrees to release ABC Group from all claims for damages or otherwise in any manner whatsoever arising out of or connected with the said bailment and to indemnify and save it harmless of and from all loss, costs or damages (including legal expenses) arising out of or connected with the said bailment whether such loss, costs or damages result from the negligence of the Bailee or otherwise. The within indemnity shall continue in full force and effect notwithstanding the return of the Property to ABC.
- 7. The Bailee shall not in any way alter the Property or perform any repairs thereto (with the exception of emergency repairs or normal maintenance) without the prior written consent of ABC.
- 8. The Bailee shall not release custody of the Property to any third party without the prior written consent of ABC.
- 9. The Bailee agrees to return the Property to ABC forthwith upon demand and acknowledges that it/he has no title in the Property and will not encumber it in any manner whatsoever and hereby waives any lien claims including mechanics liens it may have in the Property, statutory or otherwise. The Bailee agrees that ABC or its agent shall have the right to enter the premises of the Bailee and remove the Property at any time.



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2 Norelco Drive, Toronto, ON, M9L 2X6 Ph: 416-242-1782 Fax: 416-246-1552

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- 10. The Property is being or will be kept and maintained at the location(s) identified on the Records and shall not be removed there from without ABC Group's prior written approval. The Property is and shall continue to be safely stored at such location and is and will be subject to inspection by ABC Group at any time during normal business hours.
- 11. No Implied Waiver. Nothing herein contained or capable of being inferred from any possession of The Property by Bailee or any other relationship between ABC Group and Bailee shall obligate ABC Group in any way to purchase any goods from Bailee to or create any defense in favour of Bailee, whether by setoff, contract or otherwise, to any demand by ABC Group for possession of the Property.
- 12. Further Assurances. Bailee agrees that it will promptly, upon any request of ABC Group, participate in the obtaining, execution and filing of any financing statements, lien waivers, bills of sale or other documents deemed by ABC Group to be necessary or prudent for the protection of its interests in the Property.
- 13. ABC Group shall have all of the rights and remedies of a secured party under the Personal Property Security Act, R.S.O 1990 CHAPTER P.10, as amended, or the successor legislation or analogous legislation in jurisdictions outside of Ontario ("PPSA"). The Bailee if in default of its obligations hereunder, shall pay all costs and expenses (including legal costs) incurred by ABC Group in enforcing its rights under this Agreement and in realizing on its security hereunder.
- 14. The Bailee hereby authorizes ABC Group to register such financing statements, financing change statements and other documents and do such acts and things as ABC Group may deem appropriate to perfect on an ongoing basis its security interest in the Property whenever and wherever it may be deemed necessary or expedient. ABC Group shall provide the Bailee with a copy of any financing statement or financing change statement registered by ABC Group or any verification statement relating thereto. The Bailee acknowledges receipt of a copy of this Agreement which is intended to be a "security agreement" within the meaning of the PPSA.
- 15. This Agreement and any other document or instrument delivered or to be delivered hereunder shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein. If any provision hereof is or becomes invalid or unenforceable under any law of mandatory application, it is the intent of the parties hereto that such provisions will be deemed severed and omitted herefrom, the remaining portions hereof to remain in full force and effect as written. Any provision hereof which becomes unenforceable by reason of any bankruptcy proceedings shall again be valid and enforceable upon the termination of such proceedings.
- 16. This Agreement may be executed in one or more counterparts and shall be deemed to be sufficiently delivered if delivered by Facsimile or scanned and e-mailed to the other party, each of which shall be deemed to be a duplicate original, but all of which, taken together, constitute a single document.
- 17. This agreement shall not merge with any other agreement between the parties and all such other agreements shall remain in force, subject to the terms and conditions contained herein.
- 18. The terms and conditions of this Bailee Receipt shall ensure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, legal representatives, successors and assignees, and shall remain in full force and effect until such time as the Property has been returned to ABC.
- 19. Bailee agrees to sign such further documents and to do and perform all such further acts and things as may be necessary to give full force and effect to the foregoing.

Executed this day of, 20xx_ in the City of	
BAILEE	BAILOR
Signature:	P.O. #_ xxxxxx ASTD
	ABC Group: Michael J. J. Quail
Fitle:	Director of Purchasing ABC Group
I have authority to bind the corporation	Date: Sept. 9, 2016



SCHEDULE A

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ASTD P.O. # xxxxxx Program xxxxxx

TOOL TOOL TOOL TOOL **LOCATION NUMBER DESCRIPTION LOCATION**

1. DOHC production rad Hose bracket injection molding tool.