

LICENSED DEALER AGREEMENT

THIS AGREEMENT made the 23rd day of October, 2007, between **TRUSTMARK AUTO GROUP, INC.** (the "Company") and **N. W. Auto Depot Ltd.**, of West Vancouver, British Columbia, (the "Dealer").

WHEREAS:

A. The Dealer is in the business of selling new and/or used motor vehicles and certain auto-related products and services (the "Business") from its lot located at 2203 Marine Drive, West Vancouver, BC V7V 1K5, British Columbia (the "Lot"); and

B. The Company provides a variety of products and services to independent auto dealers including but not limited to: customer financing for qualifying vehicles and customers, marketing programs and plans, wholesale purchasing programs, back-end and business office products, participation in advertising programs, integration into the Company's Web presence, system-wide promotions, and other services (collectively, the "Products and Services") under the trade mark "TrustMark Auto" and other related trade names and logos;

IN CONSIDERATION of the covenants and agreements herein contained, the parties agree as follows:

1. APPOINTMENT

1.1. The Company appoints the Dealer and the Dealer agrees to be a TrustMark Licensed Dealer in respect to the selling of the Companies Products and Services at the Lot, subject to the terms of this Agreement.

2. TERM

2.1. The term of this Agreement shall commence as of the date written above and shall continue for one (1) year (the "Term"). The parties may agree to a further 1 year renewal, such agreement to be in writing.

3. EXCLUSIVITY OF APPOINTMENT

3.1. The Dealer shall, during the Term, be a Licensed Dealer of the Company at the Lot and shall represent, distribute and sell the Companies Products and Services.

4. REPRESENTATIONS AND WARRANTIES

4.1. The Dealer represents and warrants that:

- (a) if the Dealer is a corporation, it is duly incorporated or registered under the laws of British Columbia;

- (b) it is registered and in good standing as a motor vehicle dealer under the *Motor Dealer Act* in the Province of British Columbia and is licensed under the VSA guidelines;
- (c) it carries the appropriate insurances of a prudent business owner and lawfully carries on its business on the Lot;

and these warranties shall remain true during the Term.

5. STATUS OF DEALER

- 5.1. The status of the Dealer shall be that of an independent contractor, and the Dealer shall have no authority to assume or create any obligation whatsoever, express or implied, in the name of the Company or to bind the Company in any manner whatsoever. The Dealer shall have no authority hereunder to enter into any contract of sale, loan, lease, financing or employment on behalf of the Company, nor to endorse the Company's cheques, except pursuant to written authorization of the Company. The Dealer undertakes and agrees that it will not furnish to any customer or prospective customer any warranties, undertakings or guarantees of any nature whatsoever which may tend to involve the responsibility or liability of the Company, but the Dealer shall promote and distribute Company-approved information in the form of sales brochures offering the Company's Services as defined on page 1 hereof. The Company need not make available all the Services to the Dealer or its customers, but certain Services may be offered from time to time or not at all. In the event that the Dealer does allow or furnish to customers or prospective customers warranties, undertakings or guarantees of any nature whatsoever which might tend to involve the responsibility or liability of the Company, then, in such event, the Dealer agrees to indemnify and save the Company harmless from any claims, demands, damages, costs or losses whatsoever arising out of or in any way connected with such warranties, undertakings or guarantees.

6. EXPENSES

- 6.1. All expenses in connection with the Dealer's performance of this Agreement and its activities as a Dealer for the Company, including but not limited to rent, taxes, utilities, corporate overhead, signage, inventory, travel, salaries, wages, insurance, equipment leases, supplies and all other costs related to the Business, shall be borne by the Dealer, and the Dealer shall be solely responsible for the payment thereof.

7. OBLIGATIONS OF THE DEALER

- 7.1. During the Term, the Dealer shall:
 - (a) use its best efforts to market, promote and sell the Products and Services of the Company and promote the trade marks and logos of the Company, all in accordance with paragraph 11.2;

- (b) conform to advertising standards and not breach any act, law, by-law or regulation in offering the Services;
- (c) sign the Company's standard form Dealer Financing Agreement (a copy of which is attached as Schedule "A") and be bound by its terms;
- (d) subject to the Company's prior approval as to specifications, supply and maintain, in good condition and in conspicuous and appropriate locations inside and outside the Dealer's place of business as recommended by the Company, signs identifying the Dealer's place of business as a TrustMark Licensed Dealer;
- (e) ensure that all motor vehicles shown or displayed on the Lot are in good repair and saleable condition;
- (f) not join in or form any kind of dealer group, collective or association among the Company's dealers for the purposes of negotiating with the Company or addressing the concerns of dealers of the Company; and
- (g) meet the minimum quarterly sales of Products and Services as shown in attached Schedule "B".

8. OBLIGATIONS OF THE COMPANY

8.1. During the Term, the Company shall:

- (a) facilitate the review of credit applications and process credit applications through either in-house financing or third party lenders; and
- (b) give to the Dealer such assistance in business office operations, advertising, lot appearance and layout, selling skills, inventory buying, and customer financing as deemed reasonable by the Company.

9. DISCLOSURES

- 9.1. The Dealer shall at all times, upon request by the Company, furnish the Company with such further information concerning the Dealer's business and operations as the Company in its sole discretion deems necessary from time to time.

10. ACCESS TO DEALER'S PREMISES

- 10.1. At all reasonable times during the Term, the Company or its representatives shall be permitted free access to the Dealer's premises to inspect the operations of the Dealer to satisfy itself that the Dealer is conducting its business in a proper manner.

11. TRADE MARKS AND LOGOS

- 11.1. The Dealer shall have the right, during the Term and subject to due compliance with the provisions hereof, to use the Company's trade marks in promoting the sales of the Products and Services in association with motor vehicle sales on the Lot and for the purpose of describing itself as a "TrustMark Licensed Dealer".
- 11.2. The Dealer agrees, with respect to the trade marks of the Company, to:
- (a) comply with all instructions issued by the Company relating to the form and manner in which the Company's trade marks shall be used and to discontinue immediately, upon notice from the Company, any practice relating to the use of the Company's trade marks which, in the Company's opinion, would or might adversely affect the reputation, rights or interests of the Company in the trade marks;
 - (b) refrain from using or permitting anyone else to use the Company's trade marks or any derivation thereof in the Dealer's corporate name or in association with other services or products relating to goods or services other than motor vehicles;
 - (c) refrain from contesting the title of the Company to its trade marks or effecting any registrations thereof pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 and amendments thereto, or any other trade mark legislation throughout the world; and
 - (d) refrain from effecting or permitting the removal, renewal or alteration of any trade marks, notices or trade names used in relation to the Services.

12. TERMINATION WITHOUT NOTICE

- 12.1. The Company may, in its sole discretion, terminate this Agreement, without notice or delay, upon the happening of any of the following events:
- (a) the Dealer's breach or threatened breach of any of the terms or conditions of this Agreement or any other agreement entered into between the parties not being rectified following 30 days of notice;
 - (b) the Dealer becoming insolvent or being unable to pay its debts as they generally become due;
 - (c) the Dealer making an assignment in bankruptcy or seeking any creditor protection under any federal or provincial legislation;
 - (d) a receiver or trustee of the Dealer being appointed, provided such appointment is not vacated within thirty (30) days from the date of such appointment;
 - (e) not meeting minimum Product and Services sales as described in Schedule "B";

- (f) in its sole discretion, the Company finds the Dealer has misrepresented any facts necessary for the Company to make credit decisions in regards to customer financing.

Such termination shall not limit any right of the Company to pursue any claim for damages, losses or expenses or seek any other legal remedy in respect of this Agreement.

13. SURVIVAL OF PROVISIONS ON TERMINATION

- 13.1. All restrictive covenants, representations, warranties and the indemnity provisions hereof shall survive the termination of this Agreement.

14. OBLIGATIONS FOLLOWING TERMINATION

- 14.1. Upon termination of this Agreement for any reason whatsoever, the Dealer shall:
 - (a) re-convey and release to the Company all rights and privileges granted by this Agreement;
 - (b) return to the Company all advertising, informational or technical material given to the Dealer by the Company;
 - (c) cease using the Company's trade names and trade marks and thereafter refrain from holding itself out as an authorized sales agent or dealer of the Company;
 - (d) return to the Company all signage, posters, brochures and other forms of advertising, promotion or sales or, at the Company's request, destroy same, at the Dealer's cost, evidencing same with a Certificate of Destruction; and
 - (e) immediately pay all amounts owing by it to the Company and render statements in accordance with Part 9 hereof.

This paragraph shall survive the termination of this Agreement.

15. NO DAMAGES ON TERMINATION

- 15.1. The Company shall not, by reason of the termination of this Agreement, be liable to the Dealer for compensation, reimbursement or damages on account of the loss of prospective profits on anticipated sales or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of the Dealer or otherwise.

16. INDEMNITY

- 16.1. The Dealer indemnifies and holds harmless the Company, its directors, officers and employees (collectively, the "Company Indemnitees") from and against all claims, judgments, damages, losses and expenses (including legal fees and costs relating thereto) incurred by any Company Indemnitees arising out of any breach of this Agreement or any

representation, warranty or guarantee by the Dealer or the sale, lease or servicing of any motor vehicle by the Dealer or its employees or contractors or the use of any motor vehicle.

16.2. The Company indemnifies and holds harmless the Dealer, its directors, officers and employees (collectively, the "Dealer Indemnitees") from and against all claims, damages, losses and expenses (including legal fees and costs relating thereto) incurred by any Dealer Indemnitees arising out of any breach of this Agreement by the Company or the use of any Company authorized trade marks in the authorized manner and provided they are used in accordance with paragraph 11.2.

16.3. These indemnities shall survive the termination of this Agreement.

17. *FORCE MAJEURE*

17.1. In the event of an inability or failure by the Company to finance any motor vehicle or provide the Services herein by reason of any fire, explosion, war, riot, strike, walk-out, labour controversy, flood, shortage of water, power, labour, transportation facilities or necessary materials or supplies, default or failure of carriers, breakdown in or the loss of financing source, act of God or public enemy, any law, act or order of any court, board, government or other authority of competent jurisdiction, or any other direct cause (whether or not of the same character as the foregoing) beyond the reasonable control of the Company, then the Company shall not be liable to the Dealer during the period and to the extent of such inability or failure.

18. *GOVERNING LAW*

18.1. This Agreement shall be made and construed in accordance with the laws of the Province of British Columbia.

19. *TIME OF THE ESSENCE*

19.1. Time shall be of the essence of this Agreement and of each and every part hereof.

20. *NOTICE*

20.1. Any notices, consents, approvals, statements, authorizations, documents or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing and shall be delivered personally or mailed by registered mail, postage prepaid, to the parties at their respective addresses set forth hereunder, namely:

To the Company at:

TrustMark Auto Group, Inc.
9th Floor, 1281 West Georgia Street
Vancouver, BC V6E 3J7
Attention: Rod Hamilton

with a copy to:

Grossman & Stanley
Business Lawyers
Box 55, 800 - 1090 West Georgia Street
Vancouver, BC V6E 3V7
Attention: Peter W. Stanley

To the Dealer at:

N. W. Auto Depot Ltd
2203 Marine Drive,
West Vancouver, BC
V7V 1K5

or at any such other address or addresses as may be given by any of them to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery; provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered.

21. NON-WAIVER

- 21.1. No waiver by any party of any breach by any other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

22. UNENFORCEABILITY OF PROVISIONS/INTERPRETATION

- 22.1. It is agreed that should any clause, condition or term, or any part thereof, contained in this Agreement be unenforceable or prohibited by law or by any present or future provincial or federal legislation, then such clause, condition, term or part thereof, shall be amended, and is hereby amended, so as to be in compliance with the said legislation or law, but if such clause, condition, term or part thereof cannot be amended so as to be in compliance with any such legislation or law, then such clause, condition, term or part thereof is severable from this Agreement, and all the rest of the clauses, terms and conditions or parts thereof contained in this Agreement shall remain unimpaired.
- 22.2. This Agreement shall be interpreted even-handedly and shall not be construed against any particular party who may have drafted it.

22.3. Words importing the masculine gender include the feminine or neuter gender, and words in singular include the plural, and *vice versa*.

23. NO PARTNERSHIP CREATED

23.1. Nothing in this Agreement shall be deemed in any way or for any purpose to constitute the parties hereto partners or joint venturers in the conduct of any business or otherwise, and it is expressly acknowledged that the parties are independent contractors.

24. ENUREMENT

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

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

SIGNED IN THE PRESENCE OF:

TRUSTMARK AUTO GROUP, INC.

Parren Chura
Signature
Parren Chura
Name

Per: Parren Chura
Authorized Signatory

9th floor, 1281 West Georgia Street
Address Vancouver B.C. V6E 3J7
Partner Development Manager
Occupation

SIGNED IN THE PRESENCE OF:

N.W. Auto Depot Ltd.
NAME OF COMPANY Dealer (S)

Gerardo Valente
Signature
Gerardo Valente
Name

Per: Gerardo Valente
Authorized Signatory

2203 MARINE DR.
Address West Vancouver B.C. V7V 1K5
Gen. MGR.
Occupation

NO. 477 1. 21

SCHEDULE "A"
DEALER FINANCING AGREEMENT

SCHEDULE "B"**MINIMUM FINANCING AMOUNTS**

To maintain TrustMark Auto Licensed Dealer status and to keep this agreement in force, the Dealer must meet or exceed the minimum quarterly financing amounts as outlined below.

- Quarterly minimum financing amounts: \$90,000 starting in the fourth month of the initial Term.

In the event this minimum is not met in a quarter and notice has been provided by the Company, the Dealer has the following quarter to finance \$90,000 to bring the agreement into good standing.