Loan By-Law 2272

Administration

RFD #: 20260026
Created: 06/15/2026
Author: Troy Warkentin
Last Updated: 06/15/2026
Status: Pending

Council Meeting Date: 06/16/2026
Resolution #:
Resolution 1st:
Resolution 2nd:

Summary

Subject: Loan By-Law 2272
Purpose:
To consider a loan to SEG Inc. for purposes of operating the Southeast Event Centre.
Recommendation:
Recommendation is for Council to approve entering into the loan and general security agreements and to approve second and third readings to By-Law 2272.
City Manager Comments:
SEG Inc. operates the Southeast Event Centre pursuant to an Operating Agreement entered into with the City as of January 9, 2025. As part of its establishment of operations, it has requested City Council to consider the issuance of a short term loan of $400,000.00 to supplement its operating cash flows. The loan would be interest free, and have 4 annual re-payment amounts of $100,000.00 due September 30th of each year beginning September 30, 2027.

Background

Background Reports: - See Appendix 1 for Attachments
Relevant Policy:
Sec 180(1) and 180(2) of The Municipal Act provide that a municipality may lend money subject to certain conditions. The required conditions for this lending have been met by the City.
Response Options:

Implications of Recommendation

Appendix 1

Background Reports

- Lending By-Law 2272
- Lending Agreements
- Mun Act Sec 180

CITY OF STEINBACH

By-Law No. 2272

BEING A BY-LAW of the City of Steinbach (the "**City**") to Provide for the Lending of Money to the Southeast Events Group Inc.

WHEREAS Subsection 180(1) of *The Municipal Act* provides that:

"A municipality may lend money only if

a) the council considers that the money loaned will be used for a purpose that will benefit the municipality;
b) the loan is made to a non-profit organization or municipal participation corporation;
c) the loan is authorized by by-law; and
d) the amount of money to be loaned, together with the unpaid principal of any other loan, does not exceed the maximum amount established by the minister by regulation."

AND WHEREAS Subsection 180(2) of *The Municipal Act* provides that:

"A by-law authorizing a loan must set out

a) the amount of money to be loaned and, in general terms, the purpose for which it is to be used;
b) the name of the organization or corporation to which the loan is to be made;
c) the minimum rate of interest, the term and the terms of repayment of the loan; and
d) the source or sources of the money to be loaned."

AND WHEREAS the City and the Southeast Events Group Inc. have agreed that the Southeast Events Group Inc. may operate the Southeast Events Centre for the benefit of the City, its residents, and residents of the surrounding area, pursuant to the terms and conditions as provided for in an operating agreement dated January 9, 2025.

AND WHEREAS the Council of the City deems it prudent, and for the benefit of the City to lend money to the Southeast Events Group Inc. for the purpose of providing working capital for the borrower's general operations.

AND WHEREAS pursuant to its articles of incorporation, the Southeast Events Group Inc. has been created as a non-profit organization.

AND WHEREHAS the Council of the City deems it prudent, and for the benefit of the City to enter into a certain loan agreement, general security agreement, and promissory note with the Southeast Events Centre Group Inc. attached hereto as Schedule "A" to ensure the repayment of monies lent (the "**Security Documents**").

NOW THEREFORE the Council of the City of Steinbach in meeting duly assembled, enacts as follows:

1. **THAT** the City provide a loan to the Southeast Events Group Inc. in the principal amount of $400,000.00, and dated June 16, 2026, for the purpose of providing working capital for the general operations of the Southeast Events Group Inc. and the Southeast Events Centre.

2. **THAT** the funds be provided by the City, to Southeast Events Group Inc.

3. **THAT** the amount of money to be loaned to the Southeast Events Group Inc. be provided from the City of Steinbach Committed Expenditure Reserve fund.

4. **THAT** the loan shall not bear interest.

5. **THAT** the loan shall be repaid in yearly installments of $100,000.00 over a period of approximately four (4) years, with the first installment due on September 30, 2027, and successive installments due on September 30th of each subsequent year, until the principal amount of the loan is repaid.

6. **THAT** the annual repayment amounts of the loan shall take priority and shall be made prior to the borrower making any allocation of working capital, surpluses, profits, or revenues, or cause same to be accumulated and held notwithstanding the terms and conditions as agreed to by the borrower and lender in an operating agreement dated January 9, 2025.

7. **THAT** the Mayor and Chief Administrative Officer of the City are authorized to execute the Security Documents and any other documents reasonably necessary thereto.

DONE AND PASSED in Council duly assembled, this _____ day of _____ 2026.

Read a first time this ___ day of ____ 2026
Read a second time this ___ day of ____ 2026
Read a third time this ___ day of ____ 2026

____
Mayor

____
City Manager

SCHEDULE “A” – SECURITY DOCUMENTS

LOAN AGREEMENT

This Loan Agreement made as of the _____day of _______________________, 2026 (the "**Agreement**").

BETWEEN:

SOUTHEAST EVENTS GROUP INC.,
Box 442, Stn Main
Steinbach, Manitoba R5G 1M3
(hereinafter called the "**Borrower**"),

- and -

THE CITY OF STEINBACH,
225 Reimer Avenue
Steinbach, Manitoba R5G 2J1
Attention: City Manager
(hereinafter called the "**Lender**"),

WHEREAS:

A. The Lender is a municipality duly existing pursuant to *The Municipal Act,* CCSM c M225;

B. The Borrower is a non-profit corporation duly incorporated pursuant to the laws of the Province of Manitoba;

C. The Lender has agreed to provide the Borrower with a loan in the principal amount of $400,000.00 Canadian Dollars (the "**Principal**") for the purpose of providing working capital for the Borrower's general operations (the "**Loan**");

D. The Lender has duly passed By-law No. 2272;

E. The Lender has determined that the Loan will be used for a purpose that will benefit the City of Steinbach; and

F. The Borrower and Lender wish to record the basis upon which the Loan is to be repaid;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth the parties hereto have agreed as follows:

ARTICLE 1 - ADVANCE

1.1 **Advance.** The Lender will advance to the Borrower the Loan on the date that is as soon as reasonably possible after the execution of this Agreement and the Security (the "**Date of Advance**"), in the sole and absolute discretion of the Lender, by the Lender providing a wire transfer, certified cheque or bank draft to the Borrower for the full amount of the Loan.

1.2 **Use of Funds.** The Loan shall be used only for the purpose of providing the Borrower working capital in order to fund its general operations in its operation of the facility commonly known as the Southeast Event Centre.

1.3 **Execution of Security.** In addition to the execution of this Agreement, the Borrower will execute or cause to be executed the security listed in Section 2.1 of this Loan Agreement.

1.4 **Corporate Authorization and Enforceability.** The Borrower has taken all appropriate corporate action to authorize the entering into of this Agreement and the pledge of the Security. The Borrower represents and warrants to the Lender that this Agreement and each of the documents to be provided by the Borrower hereunder, are enforceable against the Borrower.

ARTICLE 2 - SECURITY

2.1 **Security.** The Borrower shall provide or cause to be provided the following security to the Lender:

(a) A promissory note in the amount of the Loan attached hereto at Schedule "A";

(b) A general security agreement in favour of the Lender over all present and after acquired personal property of the Borrower attached hereto at Schedule "B" (the "**Collateral**"); and

(c) Such further and other security as the Lender or its solicitors may reasonably require from time to time.

(collectively, the "**Security**").

2.2 **Use and Maintenance of Collateral**. The Borrower agrees that it shall:

(a) diligently maintain the Collateral so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;

(b) duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held; and

(c) upon request by the Lender, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be considered by the Lender to be necessary or desirable to give effect to the intent of this Agreement, or for the collection, disposition, realization or enforcement of the Collateral or the Security, and the Borrower hereby irrevocably constitutes and appoints the Lender or its appointee the true and lawful attorney of the Borrower, with full power of substitution, to do any of the foregoing in the name of the Borrower whenever and wherever the Lender may consider it to be necessary or desirable.

2.3 **Security Purpose**. The Security granted under this Agreement secures payment and performance to the Lender of the liabilities and obligations of the Borrower to the Lender in respect of the Loan.

2.4 **Registration**. The Lender shall have the right at any time and without notice to the Borrower to cause this Agreement or any of the Security to be registered or filed in any place or office where the Lender or his counsel deem advisable or necessary. The Borrower hereby waives all rights to receive from the Lender a copy of any financing statement or financing change statement made at any time or confirmation statements issued at any time, respecting any registrations or filings relating to this Agreement.

ARTICLE 3 - PAYMENT TERMS

3.1 **Interest.** The Loan shall be interest-free, but for the occurrence of an Event of Default (as defined herein).

3.2 **Repayment**. The Loan shall be repaid by the Borrower to the Lender in yearly installments of $100,000.00 per calendar year (the "**Annual Repayment Amount**") over a period of four (4) years, beginning on September 30, 2027 and continuing on the 30th day of September in each successive year until the Principal has been repaid in full.

3.3 **Prepayment.** The Principal of the Loan, or a portion thereof, may be repaid in full at any time, without penalty; provided, however, such prepayment, or a portion thereof, shall not reduce, minimize, or decrease the Borrower's obligation to remit the Annual Repayment Amount to the Lender on the 30th day of September for each of 2027 through 2030, inclusive.

3.4 **Annual Repayment Amount to Take Priority.** Notwithstanding the terms and conditions as agreed to by the Borrower and Lender in an operating agreement dated January 9, 2025 (the "**Operating Agreement**"), the Annual Repayment Amount shall take priority and shall be made prior to the Borrower making any allocation of working capital, surpluses, profits, or revenues, or cause same to be accumulated and held.

ARTICLE 4 - DEFAULT

4.1 **Event of Default.** The occurrence of any of the following shall be deemed to be an "**Event of Default**" for the purpose of the Loan, this Agreement and the Security:

(a) if the Borrower defaults on timing of payment for any Annual Repayment Amount, and such default is not corrected within fifteen (15) days of the date the Annual Repayment Amount is due;

(b) if the Borrower neglects to observe or perform, in any material respect, any covenant or obligation contained in this Agreement or the Security on his part to be observed or performed;

(c) any of the following actions shall occur by, against or involving the Borrower:

(i) filing of a voluntary petition in bankruptcy;

(ii) adjudication as a bankrupt or insolvent;

(iii) any petition for, consent to or acquiescence in the appointment of any trustee, receiver or liquidator for the Borrower;

(iv) the making of any general assignment for the benefit of creditors;

(v) the admission in writing of the Borrower's inability to pay his debts when due;

(vi) the entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against the Borrower seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, provincial, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days from the date of entry thereof; or

(vii) the appointment of any trustee, receiver or liquidator of the Borrower without the prior written consent of the Lender, which appointment shall remain unvacated or unstayed for an aggregate of sixty (60) days from the date of appointment; or

(d) the occurrence of any default pursuant to the terms of any of the Security; or

(e) the termination of the Operating Agreement by the Borrower, or the expiry of the Operating Agreement where such expiry results from the Borrower's failure to renew; provided that any decision by the Lender not to renew, extend, or continue the Operating Agreement shall not constitute an Event of Default hereunder.

4.2 **Acceleration and Enforcement.** If any Event of Default occurs:

(a) at the option of the Lender, the entirety of the Loan will become immediately due and payable, with interest at the Royal Bank of Canada's prime rate as of the date of Event Default, calculated annually from the date of the Event of Default to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower; and

(b) the Lender may, in its sole and absolute discretion, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the obligations hereunder to the Lender and, whether or not the Lender has exercised any of his rights under the foregoing clause (a), proceed to exercise any and all rights hereunder and under the Security.

4.3 **No Obligation to Enforce.** The Lender is not under any obligation to the Borrower to realize upon any collateral or enforce the Security or any part thereof or to allow any of the collateral to be dealt with or disposed of. The Lender is not responsible or liable to the Borrower or any other person for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on their respective parts or on the part of any director, officer, employee, agent or adviser of any of them in connection with any of the foregoing.

4.4 **Remedies Cumulative.** For greater certainty, it is expressly understood that the respective rights and remedies of the Lender hereunder or under any other Security or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Security will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled in connection with such default or breach.

ARTICLE 5 - GENERAL

5.1 **Costs and Expenses.** The Borrower shall pay all reasonable costs, including but not limited to, sub-searches, legal fees and out of pocket expenses incurred by the Lender with respect to the Loan or this Agreement, including in respect of the collection of the Loan.

5.2 **Maximum Rate of Interest.** Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lender in excess of the amount or rate that would be permitted by applicable law or would result in the receipt by the Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the Lender will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

5.3 **Indemnity.** The Borrower agrees to indemnify and save harmless the Lender and his agents and representatives from and against all claims, demands, actions or other proceedings, liabilities, obligations, losses, costs and expense that may be suffered by or asserted against any one or more of them as a result of the performance of his obligations or his failure to act under this Agreement or the Security, including those related to or as a consequence of the presence of a hazardous substance or any requirements of applicable laws. This Section shall survive any repayment of the Loan and the termination of this Agreement will survive the repayment of the Loan unless a specific release of such provision by the Lender is delivered to the Borrower.

5.4 **Information.** The Borrower will provide to the Lender such additional information regarding the assets and operations of the Borrower as may be reasonably requested by the Lender from time to time.

5.5 **Interpretation.** In this Agreement words importing the singular number include the plural and vice versa, and words importing any gender include all genders. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any person other than a person who is a party to this Agreement. The words “herein”, “hereof" and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof. Unless otherwise expressly stated, all references in these provisions to Articles, Sections, and Schedules shall be construed to refer to Articles and Sections of, and Schedules to, these provisions, but all such references elsewhere in this Agreement shall be construed to refer to this Agreement apart from these provisions.

5.6 **No Joint Venture.** It is the intention of the parties hereto that the Lender is solely a lender and nothing in this Agreement or in any other Security shall be construed to make the parties hereto partners or joint venturers or render any of said parties liable for the debts or obligations of the other. This Section shall survive any repayment of the Loan and the termination of this Agreement.

5.7 **Notice.** Any notice required or authorized under this Agreement to be given by either party to the other party shall be in writing and may be delivered in person or by courier, transmitted by facsimile or sent by prepaid registered mail and addressed to the addresses described above or such other parties or such other addresses as either party shall notify the other party in writing. Any notice given shall be deemed to be received on the date of delivery by person or by courier or by transmission by facsimile as the case may be or on the fifth business day following the date of mailing.

5.8 **Currency.** Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

5.9 **Entire Agreement.** This Agreement and the Security constitute the entire agreement between the parties hereto pertaining to the subject matter of the Loan and supersede all prior agreements, understandings, negotiations and discussions, whether oral, written or otherwise, of the parties hereto. There are no representations, warranties, covenants or other agreements between the parties hereto in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.

5.10 **Severability.** If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties.

5.11 **Time of the Essence.** Time is of the essence of this Agreement. For the purposes of this section, a "business day" means any day other than a Saturday, Sunday or a statutory holiday in the Province of Manitoba.

5.12 **Governing Law.** This Agreement shall be governed by the laws of Manitoba and the laws of Canada having application therein, and the parties herby agree that the courts of Manitoba shall have the sole and exclusive jurisdiction over any disputes under this Agreement.

5.13 **Independent Legal Advice. By signing this Agreement, each of the parties hereto acknowledges that:**

(a) **such party has either obtained independent legal advice with respect to the terms of this Agreement or that such party has, despite having been given the opportunity to do so and being encouraged to do so, declined to seek independent legal advice with respect to the terms of this Agreement; and**

(b) **such party understands the terms of, and such party's rights and obligations under, this Agreement.**

5.14 **Further Assurances.** The parties hereto each agree that they shall do all things and execute and deliver all instruments or assurances reasonably requested of it by the other in order to give effect to the provisions and objectives of this Agreement.

5.15 **Preamble.** The preamble and recitals hereto shall form an integral part of this Agreement.

5.16 **Schedules.** The schedules hereto shall form an integral part of this Agreement.

5.17 **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

5.18 **Counterparts.** This Agreement may be executed in any number of counterparts and each of such counterpart shall for all purposes be deemed to be an original. All such counterparts shall together constitute one and the same Agreement. Such counterparts may be delivered by facsimile or electronic means.

[*Signature page to follow*]

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first above set forth.

CITY OF STEINBACH

Signed by:

Per: Earl Funk
6509F64A947B4EF...

Name: Earl Funk
Title: Mayor

Per: ____________________________

Name: Troy Warkentin
Title: City Manager

SOUTHEAST EVENTS GROUP INC.

Signed by:

Per: Grant Lazaruk
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Name: Grant Lazaruk
Title: President

DocuSigned by:

Per:
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Name: Jarrett Bishop
Title: Treasurer

SCHEDULE "A" – PROMISSORY NOTE

SCHEDULE "B" – GENERAL SECURITY AGREEMENT

PROMISSORY NOTE

$400,000.00 (Canadian Dollars) **Date: June __, 2026**
Due: September 30, 2030

FOR VALUE RECEIVED, the undersigned, SOUTHEAST EVENTS GROUP INC. (the "**Borrower**"), hereby promises to pay to the order of THE CITY OF STEINBACH (the "**Lender**"), the principal sum of Four Hundred Thousand ($400,000.00) Canadian Dollars, subject to the terms of that certain Loan Agreement between the Borrower and the Lender of even date herewith (the "**Loan Agreement**").

Purpose of Note

This Note is issued to evidence the Borrower's obligation to the Lender in the principal sum of Four Hundred Thousand ($400,000.00) Canadian Dollars (the "**Principal**"), in connection with the Loan Agreement (the "**Loan**").

Interest

The Loan shall be interest-free.

Repayment

The Borrower shall pay the Principal of the Loan in yearly installments of $100,000.00 per calendar year over a period of four (4) years, beginning on September 30, 2027 and continuing on September 30th in each successive year until the Principal has been repaid in full.

Repayment terms and amortization periods may be amended as agreed by the Borrower and the Lender in writing signed by the Borrower and the Lender.

Prepayment

Notwithstanding the foregoing, the Borrower may prepay all or a portion of the outstanding balance of this Note at any time, without notice or bonus; provided, however, such prepayment, or a portion thereof, shall not reduce, minimize, decrease the Borrower's obligation to remit the Annual Repayment Amount to the Lender on the 30th day of September for each of 2027 through 2030, inclusive.

Waiver and Non-Waiver

The Borrower hereby waives presentment, demand, notice of dishonor, notice of protest, notice of non-payment and any other notice required by law to be given to the Borrower on this Note in connection with the delivery, acceptance, performance, default or enforcement of this Note and hereby consents to any delays or extensions of this Note, any waivers of any term or condition of this Note, the release of the Borrower under this Note or of any security given by the Borrower or any other persons in respect of the Borrower's obligations under this Note, and hereby agrees that any action by the Lender or failure to act by the Lender shall not affect or impair the obligations of the Borrower, or be construed as being a waiver by the Lender of his rights under this Note.

Severability

If any covenant or provision in this Note is determined to be void, voidable or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other covenant or provision and each of the covenants and provisions in this Note is declared to be separate, severable and distinct.

Amendments

This Note may only be amended in writing signed by the Borrower and the Lender.

Enurement

This Note shall be binding upon the Borrower and his permitted successors and assigns.

Assignment

This Note will not be assigned by the Borrower without the prior written consent of the Lender.

Governing Law

The provisions of this Note shall be construed and interpreted in accordance with and governed by the laws of the Province of Manitoba and federal laws of Canada applicable herein. The courts of such Province of Manitoba shall have authority and jurisdiction regarding the enforcement hereof.

Independent Legal Advice

The Borrower acknowledges and warrants that he has been encouraged and given sufficient opportunity to obtain independent legal advice and counsel prior to his execution of this Note.

Execution and Delivery

This Note may be executed in any number of counterparts, with the same effect as if all parties had signed the same document, and the signatures hereto may be written, printed, scanned, stamped, or otherwise mechanically reproduced or may be an electronic signature or a digital signature created via a medium or a technology that ensures the authenticity and integrity of such signature, including, without limitation, DocuSign. Anything so signed shall be as valid as if it had been signed manually.

[*Signature page to follow*]

IN WITNESS WHEREOF the parties have signed and delivered this Note with effect as of the date set forth above.

SOUTHEAST EVENTS GROUP INC.

Signed by:

Per: Grant Lazaruk

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Name: Grant Lazaruk
Title: President

DocuSigned by:

Per:

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Name: Jarrett Bishop
Title: Treasurer

[*Signature page to Promissory Note*]

GENERAL SECURITY AGREEMENT

1. As a general and continuing collateral security for payment of the indebtedness and liability of the undersigned to THE CITY OF STEINBACH (the "**Secured Party**") arising solely under the Loan Agreement dated June ___, 2026 between the undersigned and the Secured Party (the "Loan Agreement"), and any ultimate unpaid balance thereof, the undersigned hereby charges in favour of and grants to the Secured Party a security interest in all present and after-acquired personal property of the undersigned, including, without limitation, all property of the kinds hereinafter described of which the undersigned is now or may hereafter become the owner and the undersigned agrees with the Secured Party as hereinafter set out.

2. In this Agreement:

(a) "PPSA" means *The Personal Property Security Act* (Manitoba) and any Act that may be substituted therefor, as from time to time amended;

(b) "Collateral" means and includes all of the above-mentioned undertaking and property which is more particularly described herein below whether now owned or hereafter acquired, and whether tangible or otherwise;

(c) "Chattel paper", "documents of title", "goods" and "instrument" have the meanings respectively ascribed to them in the PPSA;

(d) "Primary Lender" shall mean a chartered bank, credit union, caisse populaire or other financial institution that provides a loan or financing for the purposes of general day to day banking activities of the undersigned debtor, including, without limitation, a line of credit or revolving credit facility for the operations of the undersigned debtor; and

(e) "Receivables" means the property described in paragraph 3(c) hereof.

Description of Property

3.

(a) Inventory. All goods now or hereafter forming part of the inventory of the undersigned including, without limiting the generality of the foregoing, the following goods held for sale or lease; goods furnished or to be furnished under contracts of service; goods which are raw materials or work in process; goods used in or procured for packing; materials used or consumed in the business of the undersigned; emblements; industrial growing crops; oil, gas and other minerals to be extracted; and timber to be cut.

(b) Equipment. All goods now or hereafter owned by the undersigned which are neither inventory within the foregoing description nor consumer goods as defined in the PPSA, used or intended for use in or about the place or places hereinafter designated or in any business conducted elsewhere by the undersigned, including, without limiting the generality of the foregoing, the following:

machinery; fixtures; furniture; plant; vehicles of any sort or description; and all accessories installed in or affixed or attached or appertaining to any of the foregoing.

(c) Receivables. All debts, accounts, claims, moneys and choses in action now or hereafter due or owing to or owned by the undersigned.

(d) Chattel Paper. All chattel paper now or hereafter owned by the undersigned.

(e) Documents of Title. All warehouse receipts, bills of lading and other documents of title, whether negotiable or otherwise, now or hereafter owned by the undersigned.

(f) Books, Records, etc. All books and papers recording, evidencing or relating to the above-mentioned Receivables, chattel paper or documents of title, and all securities, bills, notes, instruments, writings and other documents now or hereafter held or owned by the undersigned or anyone on behalf of the undersigned with respect to the above-mentioned Receivables, chattel paper or documents of title.

(g) Securities. All shares, stocks, warrants, bonds, debentures, debenture stock or other securities now or hereafter owned by the undersigned together with renewals thereof, substitutions therefor, accretions thereto and all rights and claims in respect thereof.

(h) Proceeds. All personal property in any form or fixtures derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for Collateral destroyed or damaged.

Ownership of Collateral

4. The undersigned represents and warrants that, and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that, except for the security interest created hereby and purchase money obligations, the undersigned is, or with respect to Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge security interest or encumbrance. Purchase money obligations means any mortgage, lien or other encumbrance upon property assumed or given back as part of the purchase price of such property or arising by operation of law or any extension or renewal or replacement thereof upon the same property, if the principal amount of the indebtedness secured thereby is not increased.

Insurance

5. The undersigned shall keep the Collateral insured against loss or damage by fire and such other risks as the Secured Party may reasonably require to the full insurable value thereof, and shall either assign the insurance policies to the Secured Party or have the loss thereunder made payable to the Secured Party as the Secured Party may require. At the request of the Secured Party such policies shall be delivered to and held by it. Should the undersigned neglect to maintain such insurance the Secured Party may insure, and any premiums paid by the Secured Party together with interest thereon shall be payable by the undersigned to the Secured Party upon demand.

Liens, etc.

6. The undersigned shall keep the Collateral free and clear of all taxes, assessments, claims, liens and encumbrances and shall promptly notify the Secured Party of any loss of or damage to the Collateral or any part thereof.

Use of Collateral

7. Until default as hereinafter defined, the undersigned may, subject to the provisions of paragraph 10 hereof, use the Collateral in any lawful manner not inconsistent with this Agreement or with the terms or conditions of any policy of insurance thereon, and sell the same in the ordinary course of business.

Information and Inspection

8. The undersigned shall from time to time forthwith on request furnish to the Secured Party in writing all information requested relating to the Collateral or any part thereof, and the Secured Party shall be entitled from time to time to inspect the tangible Collateral wherever located including, other than the books and records referred to in paragraph 3(f) hereof, and for such purpose the Secured Party shall have access to all places where the Collateral or any part thereof is located and to all premises occupied by the undersigned.

Default

9.

(a) The occurrence of any of the following events or conditions shall constitute a default under this Agreement:

i. *Non-Payment* - the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of the indebtedness owed to the Secured Party or the failure of the undersigned to observe or perform an obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between the undersigned and the Secured Party;

ii. *Bankruptcy or Insolvency* - the bankruptcy or insolvency of the undersigned; the filing against the undersigned of a petition in bankruptcy where such petition remains undismissed for a period of thirty days; the making of an authorized assignment for the benefit of creditors by the undersigned; the appointment of a receiver, receiver-manager or trustee for the undersigned or for any assets of the undersigned or the institution by or against the undersigned of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or a proceeding under the *Companies' Creditors Arrangement Act* (Canada) or otherwise where such appointment or proceeding remains undismissed for a period of thirty days;

iii. *Institution of Proceedings* - the institution by or against the undersigned of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of affairs of the undersigned;

iv. *Cessation of Business* - if the undersigned ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of his assets or commits or threatens to commit an act of bankruptcy or proposes a compromise or arrangement to his creditors;

v. *Execution or Distress* - if any execution or sequestration or other process of any court becomes enforceable against the undersigned or if a distress or analogous process is levied upon the assets of the undersigned or any part thereof;

vi. *False Representation* - if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the undersigned pursuant to or in connection with this Agreement or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit to or to enter into this or any other agreement with the undersigned, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the undersigned; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change has not been disclosed to the Secured Party at or prior to the time of such execution; and

vii. *Default to Lender* - if the undersigned is in default under any of its continuing obligations to the undersigned's lender(s).

(b) Without limiting any rights or remedy conferred by any other provision of this Agreement, the Secured Party shall have the following rights and remedies:

i. upon default by the undersigned in payment of all or any part of the indebtedness or liability of the undersigned to the Secured Party or in the performance or observance of any of the provisions hereof (in this Agreement called "default") the Secured Party may appoint in writing any person to be a receiver (which term shall include a receiver and manager) of the Collateral, including any rents and profits thereof, and may remove any receiver and appoint another in their stead and such receiver so appointed shall have power to take possession of the Collateral and to carry on or concur in carrying on the business of the undersigned, and to sell or concur in selling the Collateral or any part thereof. Any such receiver shall for all purposes be deemed to be the agent of the undersigned. The Secured Party may from time to time fix the remuneration of such receiver. All moneys from time to time received by such receiver shall be paid by him first in discharge of all rents, taxes, rates, insurance premiums and outgoings affecting the Collateral, secondly in payment of his remuneration as receiver, thirdly in keeping in good standing any liens and charges on the Collateral prior to the security constituted by this Agreement, and fourthly in or toward payment of such parts of the indebtedness and liability of the undersigned to the Secured Party as to the Secured Party seems best, and any residue of such moneys so received shall be paid to the undersigned. The Secured Party in appointing or refraining from appointing such receiver shall not incur any liability to the receiver, the undersigned or otherwise; and

ii. the Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Secured Party considers reasonable.

(c) In addition to the rights and remedies specifically provided herein, the Secured Party shall, upon default, have the rights and remedies of a secured party under the PPSA.

(d) Unless the Collateral is perishable or unless the Secured Party believes that the Collateral will decline speedily in value, the undersigned shall be entitled to not less than fifteen (15) days notice in writing of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made.

(e) The undersigned acknowledges that the Secured Party or any receiver appointed by him may take possession of the Collateral wherever it may be located and by any method permitted by law and the undersigned agrees upon request from the Secured Party or any such receiver to assemble and deliver possession of the Collateral at such place or places as the undersigned may be reasonably directed.

(f) The undersigned agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any receiver appointed by it, whether directly or for services rendered (including, without limitation, all solicitors' fees, auditors' fees, other legal expenses and receiver remuneration) in operating the undersigned's business, in enforcing this Agreement, in taking custody of, preserving, repairing, processing, preparing for disposition and disposing of the Collateral and in enforcing or collecting any part of the Indebtedness and liability of the undersigned as the Secured Party and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.

Receivables

10. The Secured Party may collect, realize, sell or otherwise deal with the Receivable or any part thereof in such manner, upon such terms and conditions and at such times, whether before or after default, as may seem to it advisable and without notice to the undersigned (except in the case of sale and then subject to paragraph 9(d) hereof). The Secured Party shall not be liable or accountable for any failure to collect, realize, sell or obtain payment of the Receivables or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Secured Party, the undersigned or any other person, firm or corporation in respect of the same. All moneys collected or received by the undersigned in respect of the Receivables shall be received as trustee for the Secured Party and shall be forthwith paid over to the Secured Party. All moneys collected or received by the Secured Party in respect of the Receivables or other Collateral may be applied on account of such parts of the indebtedness and liability of the undersigned as to the Secured Party seems best or in the discretion of the Secured Party may be released to the undersigned, all without prejudice to the liability of the undersigned or the Secured Party's right to hold and realize this security.

Charges and Expenses

11. The Secured Party may charge on his own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advice and services) in or in connection with realizing, disposing or, retaining or collecting the Collateral or any part thereof, and such sums shall be a first charge on the proceeds of realization, disposition or collection.

Further Assurances

12. The undersigned shall from time to time forthwith on the Secured Party's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Secured Party of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the undersigned hereby constitutes and appoints the Manager or Acting Manager for the time being of the Secured Party the true and lawful attorney of the undersigned irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the undersigned whenever and wherever it may be deemed necessary or expedient.

Dealings by Secured Party

13.

(a) The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the undersigned, debtors of the undersigned, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the undersigned or the Secured Party's right to hold and realize this security.

(b) At the reasonable request of the undersigned debtor, the Secured Party agrees to postpone and subordinate his security interest in the Collateral to, and/or enter into a Priorities Agreement with, a Primary Lender of the undersigned debtor.

Location of Collateral

14. The Collateral, insofar as it consists of tangible property, is now and will hereafter be kept at the following place or places:

321 Elmdale Street, Steinbach, Manitoba, R5G 0E8

and, subject to the provisions of paragraph 7 hereof, none of the Collateral shall be removed therefrom without the written consent of the Secured Party.

Binding Obligation

15. The undersigned represents and warrants that, and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that, this Agreement when duly executed and delivered by the undersigned will be a legal, valid and binding obligation of the undersigned, enforceable against it in accordance with its terms, subject only as such enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights, and by rules of equity governing enforceability by specific performance.

No Contravention

16. The undersigned represents and warrants that, and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that, there is no provision of any indenture or agreement, written or oral, to which the undersigned is a party or under which the undersigned is obligated, nor to the knowledge of the undersigned is there any statute, rule or regulation, or any judgment, decree or order of any court or governmental authority or agency binding on the undersigned, which would be contravened by the execution and delivery of this Agreement, or by the performance of any provision, condition, covenant or other term hereof.

No Pending or Threatened Claim

17. The undersigned represents and warrants that, and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that, there is no litigation, claim, proceeding or dispute pending, or, to the knowledge of the undersigned, threatened, against or affecting the undersigned or his property, the adverse determination of which might materially and adversely affect the undersigned's financial condition or operations or impair the undersigned's ability to perform his obligations hereunder;

Deliver on Request

18. The undersigned shall deliver to the Secured Party from time to time promptly upon request all policies and certificate of insurance relating to the Collateral.

Extensions and Indulgences

19. The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the undersigned, debtors of the undersigned, sureties and others and with the Collateral and other security as the Secured Party may consider advisable without prejudice to the liability of the undersigned or the Secured Party's right to hold and realize the security.

No Waiver

20. No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any of the indebtedness and liability of the undersigned as to the Secured Party shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

Remedies Cumulative

21. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

Deficiency

22. Despite any taking of possession of all or any part of the Collateral, or any other action which the Secured Party or the receiver may take, the undersigned hereby covenants with the Secured Party that if the monies realized on any disposition of all or any part of the Collateral is not sufficient to repay all of the indebtedness and liability of the undersigned as to the Secured Party, the undersigned shall forthwith pay the deficiency to the Secured Party.

Waiver of Protest

23. The undersigned waives protest of any instrument evidencing any of the indebtedness and liability of the undersigned as to the Secured Party at any time held by the Secured Party on which the undersigned is in any way liable.

Binding Effect

24. This Agreement shall be to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

No Modification

25. Except for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

Attachment

26. The undersigned acknowledges that the undersigned and the Secured Party intend for the security interest granted hereunder to attach upon the execution of this Agreement (or in the case of any property acquired subsequent thereto, upon the date of such acquisition) and that value has been given and that the undersigned has (or in the case of after-acquired property, will have) rights in the Collateral. The parties acknowledge and agree that this Agreement and the security interest are intended to be a "security agreement" and "security interest" respectively within the meaning of the PPSA.

Severability

27. If any provision of this Agreement is invalid, illegal or unenforceable, it shall not affect the validity, legality or enforceability of any other provision of this Agreement.

General

28. This Agreement: (i) shall be a continuing agreement in every respect; and (ii) shall be governed by the laws of the Province of Manitoba. No remedy for the enforcement of the rights of the Secured Party hereunder shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this Agreement is intended to attach when this Agreement is signed by the undersigned and delivered to the Secured Party. For greater certainty it is declared that any and all future loans, advances or other value which the Secured Party may in his discretion make or extend to or for the account of the undersigned shall be secured by this Agreement. If more than one person executes this Agreement their obligations hereunder shall be joint and several.

IN WITNESS WHEREOF the undersigned has executed this Agreement this ____ day of ________, 2026.

SOUTHEAST EVENTS GROUP INC.

Signed by:

Per: Grant Lazaruk ______________________________

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Name: Grant Lazaruk
Title: President

DocuSigned by:

Per: ______________________________

2B16F31F30E94E8...

Name: Jarrett Bishop
Title: Treasurer

DIVISION 3
LOANS

Municipality may make loans

180(1) A municipality may lend money only if

(a) the council considers that the money loaned will be used for a purpose that will benefit the municipality;

(b) the loan is made to a non-profit organization or municipal participation corporation;

(c) the loan is authorized by by-law; and

(d) the amount of money to be loaned, together with the unpaid principal of any other loan, does not exceed the maximum amount established by the minister by regulation.

Content of by-law authorizing loan

180(2) A by-law authorizing a loan must set out

(a) the amount of money to be loaned and, in general terms, the purpose for which it is to be used;

(b) the name of the organization or corporation to which the loan is to be made;

(c) the minimum rate of interest, the term and the terms of repayment of the loan; and

(d) the source or sources of the money to be loaned.