

**Court File No. CV-22-00685133-00CL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**CHRISCWE HOLDINGS INC.**

**Plaintiff**

**- and -**

**OASIS GLOBAL INC.,  
JOHN MARK RIVERS also Known as MARK RIVERS,  
and 2833713 ONTARIO INC.**

**Defendants**

**SECOND REPORT OF THE RECEIVER**

**October 31, 2023**

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## I. INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Osborne dated August 31, 2023 (“**Receivership Order**”), made on an application by Chriscwe Holdings Inc. (“**Chriscwe**”), Crowe Soberman Inc. was appointed as Receiver (“**Receiver**”) of all of the assets, undertakings, and properties of Oasis Global Inc. (“**Oasis**”, or the “**Company**”), John Mark Rivers (“**Mr. Rivers**”), and 2833713 Ontario Inc. (“**283**”) (collectively the “**Debtors**”), including all of the assets, undertakings and properties acquired for, or used in relation to a business carried on by the Debtors (“**Property**”). A copy of the Receivership Order is attached as **Appendix “A”**.

## II. PURPOSE OF THE SECOND REPORT

2. This Second Report is prepared and filed to:
  - (a) update the Court on the Receiver’s activities since the date of the Supplementary Report to the First Report of the Receiver to the Court, dated August 2, 2023 (“**Supplementary Report**”). Copies of the First Report of the Receiver to the Court, dated July 18, 2023 (the “**First Report**”), and the Supplementary Report, are attached as **Appendices “B”** and “**C**”;
  - (b) update the Court on the status of the operations and financial position of Oasis and 283;
  - (c) request the Court’s approval of the Receiver’s activities as described in this Second Report; and
  - (d) seek the Court’s instructions on a going forward basis with respect to these Receivership Proceedings.

## III. TERMS OF REFERENCE

3. In preparing this Report, and in making the comments herein, the Receiver has received and relied on certain books and records, financial information, e-mails, correspondence and discussions from the Plaintiff and its counsel and the Defendant and its counsel.

4. Except as described in this Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy and completeness of information provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
5. The Receiver has prepared this Report in connection with the relief sought herein. The Report should not be relied upon for any other purpose.
6. Unless otherwise noted, all monetary amounts contained in this Report are expressed in Canadian dollars.
7. The terms used in this Report and not otherwise defined herein have the meaning ascribed to them in the First Report.

#### **IV. ACTIVITIES OF THE RECEIVER**

8. Some of the activities of the Receiver, from the date of the Supplementary Report to the Date of this Second Report, include, but are not limited to, the following:
  - (a) Discussion with the Company's external accountant of MNP, regarding specific items reflected in the Draft Financial Statements as of December 31, 2022.
  - (b) On September 4, 2023, attending the premises located at 101 Rolph Road, Baltimore, Ontario, for the purpose of meeting with Mr. Rivers to discuss the Receivership Order and the intended steps of the Receiver.
  - (c) Serving the Notice and Statement of Receiver in accordance with Sections 245 and 246 of the *Bankruptcy Insolvency Act* (R.S.C., 1985, c. B-3).
  - (d) Obtaining an updated listing of Oasis' inventory on hand as of August 31, 2023, and providing same to Corporate & General Appraisers. In turn, an updated Inventory Appraisal was prepared by Corporate & General Appraisers and is attached as **Confidential Appendix "D"**.
  - (e) Discussions with the Special Loans Group at TD Bank and its counsel, regarding the Receivership Order and control over the Company's bank accounts.



- (f) Discussions with De Lage Landen Financial Services Inc. (“**DLL**”) regarding the Receivership Order and DLL’s ongoing relationship with the Company in connection with the Wholesale Program Agreement dated March 30, 2022 (“**WPA**”) and providing DLL with specific documents and information as requested.
- (g) Various discussions with DLL and its counsel to discuss their decision with respect to the Company’s ongoing status with respect to the WPA.
- (h) Working with Wanda Lee, the Company’s controller, to develop cash flow projections and differentiate between essential and non-essential payments that need to be maintained.
- (i) Working with Mr. Rivers to develop cash flow projections including incorporating a potential Term Loan of \$500,000 into the cash flow projections.
- (j) Calls with James Worthy, of the Canada Border Services Agency/CRA, to advise of the Receivership Order, the stay of proceedings and that incoming inventory should be cleared despite the significant arrears owing to CRA for import taxes.
- (k) Discussions and negotiations with Western Financial Group, in connection with the Company’s Commercial Insurance Policy and arranging for payment of same;
- (l) Arranging for a security guard to stand outside the entrance of 101 Rolph Road, Baltimore, Ontario for the purpose of monitoring inventory entering and exiting the premises.
- (m) Meeting with Mr. Fan Zhou, Regional Sales Manager of Segway Technology Co., Ltd., the manufacturer based in China (“**Segway Technology**”), for the purpose of discussing the ongoing relationship between Segway Technology and the Debtors.
- (n) Discussions with Segway’s Canadian counsel regarding these Receivership Proceedings.
- (o) Request from the representative of the second and third mortgage, to pursue power of sale for the property at 101 Rolph Road, Baltimore, where the Company carries on its operation.

## V. INITIAL PLAN AND ASSESSMENT OF THE RECEIVER

9. The Receiver's initial plan at the outset of these Receivership Proceedings was to support the Company's continued operations as a going concern, including garnering support and buy-in from the key supplier and finance company for the continued operations of the Company. If support could be obtained, Oasis would continue to provide support to the dealers and customers during the Receivership. If these supports were established, court directions for the disposition of the Company and 283, including a Court supervised sales process would be recommended.
10. However, Oasis started running into cash flow difficulties, including delaying the funding of periodical payroll on September 15, 2023, to the following week.

### **Cash Flow Difficulties**

11. According to Mr. Rivers, as of the current year, the industry is down in sales by approximately 30% and many of the dealers still have older or non-current inventory that they have not been able to sell.
12. Attached as **Appendix "E"** is the statement of receipts and disbursements from operations for the period September 1 to October 30, 2023 (the "**SRD**"). The SRD reflects that Sales during this period were in the amount of \$244,343. This is a significant decrease from the sales amount reported in the Company's draft financial statements for year ending December 31, 2022, which was approximately \$19,000,000.
13. Mr. Rivers continues to push new dealer sales. During the period September 1 to October 30, 2023, new dealer sales have been nil.

### **De Lage Landen Financial Services Canada Inc. ("DLL")**

14. As discussed in the Receiver's First Report, the primary source of the Company's cash inflows has come by way of the WPA with DLL. The WPA is attached as **Appendix "F"**. After the date of the Receivership Order, DLL was advised of these Receivership Proceedings. DLL requested that it be provided with specific documents and information, which were subsequently provided by the Receiver.

15. On September 27, 2023, DLL advised the Receiver that it does not intend to continue its relationship with the Debtors and requested that the Receiver consent to the termination of the WPA. On October 2, 2023, DLL provided a letter (“**DLL Letter**”) to the Receiver requesting same and its supporting reasons. The DLL Letter is attached as **Appendix “G**”. Mr. Rivers has provided the Receiver with emails opposing the termination, stating that DLL knew about the default conditions at the outset of the Company’s relationship with DLL, and that DLL continued to fund the dealers and, according to Mr. Rivers, effectively waiving the defaults.
16. Further, DLL did not fulfill sale agreements in connection with the WPA that were in effect or pending as of the date of the Receivership Order. The Receiver has been advised by Mr. Rivers that the Company was expecting to receive more than \$750,000 in cash sales had DLL upheld the WPA. The breakdown of the relationship between DLL and the Debtors has had a catastrophic impact to the Company’s ability to continue to operate as a going concern.
17. On October 5, 2023, the Receiver met with Mr. Rivers for the purpose of developing cash flow projections (“**CFP**”). The CFP developed reflect that the Company’s going concern status was dependent on the continuance of the WPA with DLL and a Term Loan in the amount of \$500,000 to be coordinated with his legal counsel, Himmelfarb Prozanski Barristers and Solicitors. A copy of the CFP is attached as **Appendix “H**”.
18. Based on the position of DLL, the lack of sales, and no term loan, it is the view of the Receiver that the CFP developed by Mr. Rivers cannot be relied upon to project the Company’s actual cash flows.
19. The Company, in its current state, does not have sufficient cash to fund its ongoing operations. The Company has struggled to arrange for payment of its basic day-to-day operating costs, including, but not limited to, payroll and source deductions, insurance and rent.
20. Employee layoffs began the week of October 9, 2023. Given the continued lack of sales, and no prospect of a term loan, all employees were laid off on October 24, 2023.

### **Resignation by Mark Rivers as CEO**

21. On October 24, 2023, Mr. Rivers advised the Receiver that he was resigning as CEO of the Company and would be providing his formal resignation in writing. Mr. Rivers has not, to date, provided his formal, and in writing, resignation.

### **Segway Technology**

22. The Receiver understands, from Segway Technology, that they planned to visit Oasis in August 2023, as they were concerned about a debt that was owing to them in the amount of USD \$1,130,000 due in the first quarter of 2024. As well, , Segway Technology wanted to get a better understanding of Oasis' operations , the dealer network, and the various ongoing issues with respect to parts, service, and warranty.
23. Prior to Segway Technologies' visit to Oasis, they had no knowledge of these Receivership Proceedings.
24. The Segway Technology representatives arrived on September 18, 2023, and stayed for approximately five (5) weeks. Their visit included attending at Oasis' operations at 101 Rolph Road and visiting various dealers in Ontario.
25. Segway Technology reviewed the Court materials and expressed their concern to the Receiver regarding the \$9,200,000 judgement awarded to Chriscwe and how this will impact the Company's ability to pay back the debt owing to Segway Technology.
26. The Receiver also had discussions with Segway Technology's corporate counsel who expressed concerns regarding Oasis' continued operations and its possible bankruptcy which would affect the reputation of the Segway brand in Canada.
27. On October 26, 2023, and after their visit to Oasis, Segway Technology wrote to the Receiver expressing concerns regarding the length of time that has passed since the May 2023 Interim (Receivership) Order, the current Receivership Order and the continued impasse among the shareholders of Oasis and 283. As well, they state that they are being materially prejudiced as they cannot terminate the Distribution Agreement with 283 without consent of the Receiver.

28. Segway Technology also listed material defaults under the terms of the Distribution Agreements. The said letter is attached as **Appendix "I"**.
29. Mr. Rivers and the Receiver have also been advised by Segway Technology that they have stopped shipping Segway products to Oasis.
30. Mr. Rivers advised the Receiver that he is putting together his response to the October 26, 2023 Letter. As of the date of this report, the Receiver has not received Mr. Rivers' formal response.

### **Government Remittances**

31. As discussed in the First Report and the Supplementary Report, the Receiver was concerned regarding the Company's compliance with respect to Government Remittances for Payroll Source Deductions and HST. CRA has provided to the Receiver the following Notices reflecting balances that were owing as of September 29, 2023:
  - (a) Payroll Source Deductions in the amount of \$233,187.93, including \$134,963.45 that are subject to deemed trust rules as specified in the CRA notice. This notice is attached as **Appendix "J"**; and
  - (b) HST in the amount of \$2,219,914.66, including \$1,496,697.33 that are subject to deemed trust rules as specified in the CRA notice. This Notice is attached as **Appendix "K"**.
32. As well, the Receiver was advised by the Canada Border Services Agency that the Company owed Import/Export taxes in the amount of \$425,424 as stated by the CRA representative to the Receiver.
33. As of the date of this Report, Remittances owing to CRA are now totaling in the amount of approximately \$2,878,000 which is an increase from the \$2,000,000 noted in the draft financial statements for the year ended December 31, 2022. Due to the nature of government remittances payable, this matter is of concern to the Receiver as there are amounts owing to CRA that are subject to deemed trust rules which have priority over a secured lender.

## General

34. It is the view of the Receiver that the Company, in its current state, cannot continue to operate as a going concern for the following reasons:
- (a) DLL's request to terminate its relationship with the Debtors. As previously noted, the primary source of the Company's cash flows has come by way of the WPA with DLL;
  - (b) Segway Technology has stopped shipping Segway products to Oasis, and is claiming a material default in connection with the Distribution Agreement;
  - (c) Industry slowdown in sales of powersports; and
  - (d) Lack of financing for working capital.

### **101 ROLPH RD., BALTIMORE ("Property")**

35. The Property is 333 acres and located on the Oak Ridges Moraine. The Property is owned personally by Mr. Rivers and is the headquarters of the Company's operation. Of the over 300 acres of land, only approximately 10 to 12 acres have been graded for use, a portion of which is used as a residential home for Mr. Rivers and his family.
36. The Receiver has been contacted by Pocrnic Realty Advisors Inc. ("**PRA**"), the representative of the second and third mortgage on the Property. PRA advised the Receiver that they intended to initiate power of sale proceedings prior to the date of the Receivership Order. The Receiver advised PRA that a stay of proceedings was in place.
37. PRA provided to the Receiver, both mortgage information statements noting that, as of October 18, 2023, the second mortgage amount for principal, interest and fees totaled \$536,687 and the third mortgage totaled \$1,515,918 for a combined total of over \$2,000,000. Both mortgage information statements are attached as **Appendix "L"**.
38. Mr. Rivers advised the Receiver that these two mortgages were originally registered in the year 2021 and were under the control of Mr. Chris Kauffman the principal of Chriscwe. Mr. Rivers also stated that these mortgages are part of the Oasis funding through the arbitration settlement. The Receiver is still reviewing the details of these two mortgages

and Mr. Rivers' statements. The Receiver will also be reviewing all five (5) mortgages on the Property.

39. The Receiver is conducting an appraisal of the Property and is discussing the listing of the Property with real estate agents.
40. The Receiver will report to the Court at a future date of its findings and recommendations with respect to the Property.

## **VI. RECOMMENDATIONS**

41. Both of the shareholders have expressed to the Receiver their go forward plan and/or offer to buy the assets of Oasis, 283 and the Property. However, to date, no plans or formal offers have been received by the Receiver .
42. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court issue an order:
  - (a) In the absence of the receipt of an offer by any of the shareholders, approving a sale or liquidation of the assets of Oasis and 283; and
  - (b) Approving the activities of the Receiver to date.

All of which is respectfully submitted this 30<sup>th</sup> day of October 2023.

**CROWE SOBERMAN INC.**

**IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF  
OASIS GLOBAL INC., JOHN MARK RIVERS and 2833713 ONTARIO INC.**



# APPENDIX A



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE OSBORNE

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THURSDAY, THE 31<sup>st</sup>  
DAY OF AUGUST, 2023

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

OASIS GLOBAL INC., JOHN MARK RIVERS,  
also known as MARK RIVERS and 2833713 ONTARIO INC.

Defendants

**ORDER**

**THIS MOTION** made by the Plaintiff for, among other things, an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") and section 248 of the Ontario *Business Corporations Act*, RSO 1990, c B.16 ("OBCA") appointing Crowe Soberman Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Oasis Global Inc. ("Oasis"), John Mark Rivers, also known as Mark Rivers ("Rivers") and 2833713 Ontario Inc. (collectively referred to herein as the "Debtors"), including all of the assets, undertakings and properties acquired for, or used in relation to a business carried on by the Debtors, was heard on August 11, 2023 at 330 University Avenue, Toronto,

Ontario, together with a motion by the Defendants for an Order temporarily staying the payment obligation under paragraph 2 of the Order of Justice Steele dated February 24, 2023, judgment having been reserved to this day.

**ON READING** the affidavit of Timothy R. Dunn sworn September 27 2022 and the exhibits thereto, the affidavits of Chris Kauffman sworn November 18, 2022, March 22, 2023, April 5, 2023, May 12, 2023, August 1, 2023 and the exhibits thereto, the affidavits of Rivers sworn May 31, 2022, November 8, 2022, December 8, 2022 and January 27, 2023 and the exhibits thereto, the affidavit of Glenn Bowman sworn July 17, 2023 and the exhibits thereto, the affidavit of Tyril Froese sworn August 1, 2023 and the exhibits thereto, the Transcripts of the cross-examinations of Rivers dated December 12, 2022, Chris Kauffman dated December 14, 2022 and Timothy R. Dunn dated December 14, 2022, the First Report of Zeifman Partners Inc. as Interim Receiver of Oasis and Rivers dated January 24, 2023 (the “Zeifman Report”), the First Report of the Receiver dated July 18, 2023 and the Supplementary Report of the Receiver dated August 2, 2023 and the Appendices thereto, the Orders and Endorsements of Justices Cavanagh, Osborne Steele and Kimmel made in these proceedings and the factums of the Plaintiff, the Defendants and the Receiver and on hearing the submissions of counsel for the Plaintiff, the Defendants and the Receiver.

## **APPOINTMENT**

1. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, section 101 of the CJA and section 248 of the OBCA, Crowe Soberman Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors,

including all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

## **RECEIVER'S POWERS**

2. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed

shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order against title to the property known as 101 Rolph Road, R.R. 2, Baltimore, Ontario (the "Baltimore Property"), without prejudice to the rights and priority of existing encumbrances on the Baltimore Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

3. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

4. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this

paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

5. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove



any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory

provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

## **RECEIVER TO HOLD FUNDS**

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

13. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors, until such time as the Receiver, on behalf of the Debtors, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall

disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the

"Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or

otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subject to any existing security in favour of The Toronto-Dominion Bank against 2833713 Ontario Inc.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way

of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and any existing security in favour of The Toronto-Dominion Bank against 2833713 Ontario Inc.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice->

[directions/toronto/eservice-commercial/](https://www.crowe.com/ca/crowesoberman/insolvency-engagements/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.crowe.com/ca/crowesoberman/insolvency-engagements/>.

25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that the Receiver is hereby authorized and empowered, but not obligated, to cause the Debtors to make an assignment in bankruptcy



and nothing in this Order shall prevent the Receiver from acting as trustee in the Debtors' bankruptcy.

28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that the Defendants' motion for a stay of paragraph 2 of the Order of Justice Steele dated February 24, 2023 be and is hereby dismissed.

32. THIS COURT ORDERS that the Zeifman Report shall remain sealed until further Order of this Court.

33. THIS COURT ORDERS that Confidential Appendix "E" to the First Report of the Receiver shall be sealed until further Order of this Court.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that Crowe Soberman Inc., the receiver (the "Receiver") of the assets, undertakings and properties Oasis Global Inc., John Mark Rivers, also known as Mark Rivers and 2833713 Ontario Inc., acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 15<sup>th</sup> day of May, 2023 (the "Order") made in an action having Court file number CV-22-00685133-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject

to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**CROWE SOBERMAN INC.**, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: \_\_\_\_\_

Name: Hans Rizarri, CPA, LIT

Title: President

B E T W E E N

CHRISCWE HOLDINGS INC.  
Plaintiff

-and-

OASIS GLOBAL INC., et al.  
Defendants  
Court File No. CV-22-00685133-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

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**ORDER**

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**MINDEN GROSS LLP**  
Barristers and Solicitors  
2200 - 145 King Street West  
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**Catherine Francis** (LSUC# 26900N)  
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Tel: 416-369-4137

Lawyers for the Plaintiff

# APPENDIX B

**Court File No. -22-00685133-00CL**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**CHRISCWE HOLDINGS INC.**

**Plaintiff**

**- and -**

**OASIS GLOBAL INC. and JOHN MARK RIVERS,  
Also Known as MARK RIVERS**

**Defendants**

**FIRST REPORT OF THE RECEIVER**

**JULY 18, 2023**

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## APPENDICES

APPENDIX “A” – Receivership Order, signed on June 20, 2023

APPENDIX “B” – Draft Financial Statements for the fiscal year of December 31, 2022

APPENDIX “C” – Accounts Receivable Listings for Units and Parts

APPENDIX “D” – Wholesale Program Agreement between Oasis and DLL

CONFIDENTIAL APPENDIX “E” – Inventory Appraisal by Corporate & General

APPENDIX “F” – Amendment to Lease Agreement between Oasis and Mill Valley

APPENDIX “G” – Royalty Agreement between Oasis and 283

APPENDIX “H” – Distribution Contract between 283 and Segway Powersports

APPENDIX “I” – Email between the Receiver and the Company regarding 283

APPENDIX “J” – Organization Chart



ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

CHRISCWE HOLDINGS INC.

Plaintiff

- and -

OASIS GLOBAL INC. and JOHN MARK RIVERS,  
Also Known as MARK RIVERS

Defendants

FIRST REPORT OF THE RECEIVER

JULY 18, 2023

**I. INTRODUCTION**

1. Pursuant to the Order of the Honourable Justice Steele, signed on June 20, 2023 (the "**Receivership Order**"), made on an application by Chriscwe Holdings Inc. (the "**Plaintiff**"), Crowe Soberman Inc. was appointed as interim non-possessory Receiver ("**Receiver**"), of all of the assets, undertakings, and properties of Oasis Global Inc. ("**Oasis**", or the "**Company**") and John Mark Rivers ("**Mr. Rivers**"), (the "**Property**"). A copy of the Receivership Order is attached hereto as **Appendix "A"**.

**II. PURPOSE OF THE FIRST REPORT**

2. This First Report is prepared and filed to:
- (a) update the court on the Receiver's activities and findings since the date of the Receivership Order;
  - (b) update the court on the status of potential financing applications that were submitted on behalf of Oasis and Rivers;
  - (c) look to the court for approval of the activities of the Receiver as described in the First Report; and

- (d) look to the court for instructions on a going forward basis with respect to these Receivership Proceedings.

### **III. TERMS OF REFERENCE**

3. In preparing this Report, and in making the comments herein, the Receiver has received and relied on certain books and records, financial information, e-mails, correspondence and discussions from the Plaintiff and its counsel, and the Defendant and its counsel.

4. Except as described in this Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy and completeness of information provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.

5. The Receiver has prepared this Report in connection with the relief sought herein. The Report should not be relied upon for any other purpose.

6. Unless otherwise noted, all monetary amounts contained in this Report are expressed in Canadian dollars.

### **IV. ACTIVITIES OF THE RECEIVER**

7. Activities of the Receiver, from the date of the Receivership Order to the Date of this Report, include but are not limited to the following:

- (a) Attending the premises located at 101 Rolph Road, Baltimore, Ontario (the "**Premises**"), for the purpose of meeting with Mr. Rivers and observing the Property located on the Premises:
  - (i) After the Receivership Order was signed on June 20, 2023, the Receiver attended at the premises on June 21, 2023. A representative of the Receiver was escorted off the Premises and the gate was locked not allowing any other Receiver representative on the premises;
  - (ii) The Receiver did obtain access to the premises on June 22, 2023, after discussions between the Receiver's legal counsel and Oasis/Rivers' legal counsel;

- (b) Obtaining a listing of Oasis' inventory on hand as of June 21, 2023, and observing the inventory located on the Premises (the "**Inventory**");
- (c) Arranging for Tony Burnett of Corporate & General Appraisers, to inspect the Inventory and conduct an appraisal thereof;
- (d) Attempting to build cash flow projections in connection with the Company's ongoing operations;
- (e) Reviewing the Company's banking activity, based on bank statements and daily statements of account provided by the Company;
- (f) Requesting and reviewing current financial information, as provided by the Company;
- (g) Requesting and reviewing of documents pertaining to the current status of the Company's potential financing applications that were submitted on behalf of Oasis and Mr. Rivers;
- (h) Requesting to be provided with financial information for 2833717 Ontario Inc. ("**283**");
- (i) Updating and maintaining the Receiver's Website with respect to these Receivership Proceedings; and
- (j) Preparing this First Report.

8. As of the date of this First Report, the Receiver has not yet been provided with the accounts payable listing to determine the full complement of creditors affected from these Receivership Proceedings.

## **V. FINDINGS OF THE RECEIVER**

### **A. Cash Flow Projections**

9. From the outset of these Receivership Proceedings, the Receiver has made multiple requests that the Company produce Cash Flow Projections ("**CFP**") as per the template provided by the Receiver to Mr. Rivers, on June 26, 2023.

10. The Receiver believes that the CFP is an essential tool for the Receiver to comply with its mandate, pursuant to paragraph 2(a) of the Receivership Order, which states that the Receiver is empowered and authorized to monitor the business. Per Section 10 of the CAIRP Standards of Professional Practice, monitoring a business is to be done by way of monitoring the Company's cash flows. The Receiver notes that it was willing to assist, so that the Company can produce the CFP. As well, the Receiver stated that it was acceptable for the CFP to be provided on a piecemeal basis so that, over a period of time (from the date of the Receivership Order to the date of this Report), the Receiver could adequately assess, monitor, and opine on the Company's business and financial affairs.

11. On June 30, 2023, Mr. Jeffrey Feiner, counsel to Oasis, wrote to the Receiver and advised that the Receiver's request with respect to CFP was placing undue stress and hardship on Oasis' employees. As well, in a separate communication, Mr. Feiner stated that the Receiver's request for CFP was impeding on Oasis in its ability to conduct business.

12. Based on the foregoing, the Receiver is not able to monitor the current state of the Company's cash flows pursuant to the Receivership Order.

13. As well, the Receiver requested that it be provided with online viewing access of the Company's bank accounts. The Company did not grant such access to the Receiver.

#### **B. Accounts Receivable**

14. Based on a review of the Draft Financial Statements for the fiscal year of December 31, 2022 ("**FS 2022**"), the accounts receivable balance as of December 31, 2022, was in the amount of \$2,900,463. The Receiver was advised that the numbers reflected in FS 2022 are final, and the financial statements are still in draft as of the date of this First Report because they are awaiting updated wording on a particular note therein (not related to accounts receivable). A copy of FS 2022 is attached hereto as **Appendix "B"**.

15. Mr. Rivers provided the Receiver with current accounts receivable listings as of June 30, 2023, which reflect accounts receivable for "Units" in the amount of \$473,631 and for "Parts", which had a negative balance in the amount of \$155,937. Copies of these accounts receivable listings are attached hereto as **Appendix "C"**.

16. Based on a discussion with Ms. Wanda Lee ("**Ms. Lee**"), the Company's controller, the negative balance for Parts was a net result of accounting entries that were recorded for the

purpose of reversing sales and accounts receivable, regarding certain customers that are refusing to make payments by way of claiming that parts purchased from Oasis were defective. The actual accounts receivable balance, as of the date of this Report, was \$473,631, and the Company does not actually owe this amount of \$155,937. The Receiver notes a significant decrease in accounts receivable of over \$2.4 million dollars when compared to the amount reported in FS 2022, \$2,900,463 - the balance as of December 31, 2022.

17. Mr. Rivers advised that reasons for the significant decrease in overall accounts receivable, when compared to December 31, 2022, include the following:

- (a) As of the current year, the industry is down by 30%; and
- (b) July and August are extremely low, however they are expecting sales to pick up again in late August through to mid-November.

18. Given the Company's inability to produce CFP as requested, the Receiver is very concerned regarding the decrease in sales and accounts receivable, and that the Company will not have sufficient working capital to fund its ongoing operations.

19. As well, this decrease in sales and accounts receivable is detrimental to the asset value in support of the Company's creditors. In addition, this would likely impact future potential financial lenders, in their decision whether to provide financing to the Company.

20. The Receiver notes that based on a review of the Company's bank statements from January 1 to July 12, 2023, the primary source of the Company's cash inflows/collections of accounts receivable come from De Lage Landen Financial Services Inc. ("**DLL**"). Based on a discussion with Ms. Lee, the Company and each of the authorized dealers have a financing agreement in effect, whereby DLL provides financing to the dealers. In the event that a sales transaction occurs between Oasis and a dealer, DLL pays the funds directly to Oasis. The Receiver has been provided with a Wholesale Program Agreement between Oasis and DLL, dated March 24, 2022 ("**WPA**"), however it is yet to be signed as of the date of this Report. The WPA is attached hereto as **Appendix "D"**.

**C. Inventory**

21. Mr. Rivers provided the Receiver with an Inventory listing as of June 21, 2023, which reflected that inventory on hand was in the amount of \$5,334,878. Per FS 2022, inventory on hand as of December 31 was in the amount of \$5,812,941.

22. As previously noted, the Receiver arranged for an appraisal of the Inventory to be conducted by Corporate and General (the “**Inventory Appraisal**”). The Inventory Appraisal, dated July 5, 2023, concluded that the liquidation value of the Inventory was significantly lower than the amount reflected in the Inventory listing or FS 2022. The Inventory Appraisal is attached hereto as **Confidential Appendix “E”**. The Receiver notes that the value reflected in the Inventory Appraisal reflects the Inventory being sold on a distressed value basis.

23. While attending the Premises, the Receiver observed significant inventory on hand, that appeared to be not in use or readily available to be monetized. Per the Receiver’s discussion with Mr. Rivers, many of these items were defective or unsellable in its current state and still under warranty from the manufacturer in China. As well, the Company was in ongoing negotiations with the manufacturer in China, with respect to the repair of these items and/or obtaining a credit for future purchases from the manufacturer in China, on account of these defective items. It was unclear to the Receiver regarding the likelihood or the timing of these repairs or credits, and whether this will come into fruition.

**D. Accounts Payable**

24. Per FS 2022, the balance of accounts payable and accrued liabilities was in the amount of \$3,159,631 as of December 31, 2022. The balance as of the date of this First Report is unknown to the Receiver. Based on a discussion with Ms. Lee, the Company’s current general ledger and trial balance have not been updated or reconciled by the Company’s external bookkeepers.

25. The Company’s management had discussed setting up a meeting with the Company’s external accountants (MNP) and the Receiver to discuss the current balances. However, this meeting has not yet been set up of the date of this Report.

**E. Government Remittances**

26. Per Note 7 of FS 2022:

***“Included in the accounts payable and accrued liabilities are government remittances payable of \$2,084,765.58 (2021 - \$1,087,010)”***

Due to the nature of government remittances payable, this matter is of great concern to the Receiver as these include amounts owing for HST and payroll source deductions which payments would have priority over a secured lender. The government remittances in arrears have increased by \$1 million from 2021 to 2022. Accordingly, the Receiver has attempted to investigate this matter and has requested the following information, which has not been provided as of the date of this Report.

- (a) A breakdown of the government remittances amount owing as of December 31, 2022;
- (b) Details of payments (if any) made to CRA during fiscal 2023;
- (c) The current balances with respect to government remittance accounts (RP; RT; RC; RM) as of the date of this First Report;
- (d) Most recent Notices of Assessments for all accounts in connection with government remittances; and
- (e) Viewing access of the Company's online CRA accounts.

27. In absence of the requested information being provided to the Receiver, the Receiver is very concerned that as of the date of this Report, the balance outstanding as of December 31, 2022, is still in arrears. As well, there is the concern that the balance has grown and continues to grow during fiscal 2023 at the same rate it grew from 2021 to 2022. These arrears further jeopardize the position of the Company's creditors.

28. The Receiver notes that it discussed with Ms. Lee regarding payments that are being made to Canada Border Services Agency. Ms. Lee advised that the Company was in arrears with respect to border taxes and that payment arrangements were being made at the rate of \$50,000 per month.

**F. Due to Shareholder Balances**

29. A review of the Company's financial statements as of December 31, 2021, and FS 2022, shows that the shareholder loan balances have been reduced by approximately \$1.24 million. Specifically, approximately \$740,000 in fiscal 2021 and \$500,000 in fiscal 2022.

30. Based on a review of the Company's general ledgers, these reductions to the shareholder loan balances were by way of payments to Mr. Rivers from the Company's bank account(s) and usage of the Company's credit card(s). Pursuant to communications with Ms. Lee and Mr. Rivers, these payments reflect compensation to Mr. Rivers for services provided to Oasis (which the Receiver understands to be \$30,000 per month to Mr. Rivers and \$10,000 per month to Mrs. Rivers for a total of \$40,000 per month), payments to cover the cost of living for the Rivers' family, and other non-business (or non-Oasis) related expenses.

31. The Receiver notes that a portion of the details that were included in the Due to Shareholder accounts in the general ledgers were redacted, and accordingly the Receiver's review of general ledger accounts was compromised.

32. There is a Shareholder Loan Balance in the amount of \$2,000,000 that is presented on a separate line in the Company's financial statements for the fiscal years 2021 and 2022, which the Receiver understands to be owing to the shareholder, Chricwe Holdings Inc. ("**Chricwe**"). The Receiver can verify that this balance of \$2,000,000 has not been reduced since the beginning of fiscal 2021.

33. The Receiver notes that these payments to Mark Rivers of \$740,000 and \$500,000 in 2021 and 2022 respectively, were made at the time when amounts owing to CRA and other government remittances have accrued to over \$2 million dollars, and the amounts owed to Chricwe, specifically the judgment obtained by Chricwe, remains unpaid.

**G. Occupancy Costs**

34. Included in expenses in the Company's Statement of Earnings in FS 2022 is Occupancy Costs. This expense in fiscal 2022 was in the amount of \$412,656 and in fiscal 2021 this amount was \$156,365. The increase in fiscal 2022 was in the amount of \$256,291 or 163%. A large portion of this expense relates to rent expense, that is, payments on behalf of Oasis to Mill Valley Estates ("**Mill Valley**"). The Receiver understands that Mr. Rivers is the Director and Mrs. Linda Rivers is the sole shareholder of Mill Valley, and thus the parties are not dealing at arm's length.



35. Based on a review of a lease agreement between Oasis and Mill Valley, dated May 1, 2018, the monthly rent expense was set to increase in fiscal 2022, from \$6,000 per month to \$12,000 per month. As of the date of this First Report, the monthly rent was further increased to \$15,000 per month. This recent increase was effective April 1, 2023, and was based on an amendment to the lease agreement dated March 24, 2023. This amendment is attached hereto as **Appendix “F”**. The Receiver was advised that the reason for the increase in monthly rent to Oasis was a result of the Company continuing to expand the office, shop and warehouse spaces and additional leasehold improvements.

36. The Receiver is concerned that, given the parties in the lease agreement are not dealing at arm’s length, actual payments from Oasis to Mill Valley may not be reflective of the fair market value of services provided between the parties, and therefore, the additional amounts paid to Mill Valley may not be in the normal course of business.

37. As well, the Receiver is aware that as of the date of this First Report, the Premises is owned by Mr. Rivers. Mr. Rivers advised that there is a lease agreement between Mill Valley and himself that was set up in the year 2013 or 2014. Upon request from the Receiver to be provided with a copy of this lease agreement, Mr. Rivers advised that it was stored on an old computer and is currently unretrievable, and they are trying to recover it. Further review and investigation is required in this matter.

#### **H. Royalties Expense**

38. Included in expenses in the Company’s Statement of Earnings in FS 2022 was Royalties in the amount of \$117,212. There was no expense of this nature for fiscal 2021. To support this expense, the Receiver was provided with an agreement between 283 and Oasis dated April 30, 2021 (the **“Royalty Agreement”**). Therein, it refers to Ms. Linda Rivers as the sole shareholder of 283 and Mr. Rivers as the CEO of 283. Accordingly, Oasis and 283 are not dealing at arm’s length. This Royalty Agreement is attached hereto as **Appendix “G”**.

39. In the Royalty Agreement, it refers to 283 as the Distributor and Oasis as the Sales Agent. As well, it reflects that 283 owns the rights to the sale of Segway Powersports products and that Oasis is a sales agent representing 283 in connection with the sale of these Products. Paragraph 3 states that Oasis must pay to 283, a fee equal to 3% of quarterly gross sales as consideration for the rights granted by 283 to the Company.

## **I. Magonis Boats**

40. Based on a review of the general ledger for the fiscal year 2022, the Receiver noted that there were balances of inventory and accounts payable in connection with Magonis Boats in excess of \$1,000,000 as of December 30, 2022. On December 31, 2022, the Receiver noted that approximately \$1,000,000 of Magonis Boats and Parts, were reversed out of inventory and accounts payable. As well, the Receiver noted that no sales were recorded in the Company's general ledger during fiscal 2022.

41. Ms. Lee advised the Receiver that the Company purchased 2 boats which form part of the Inventory listing as of June 21, 2023. These 2 boats currently serve as demos and are located at the Premises. In addition, Ms. Lee explained that initially, the Company intended on purchasing 12 boats. That is, 8 to be sold to a particular customer, 2 to be included as part of the Company's inventory, and 2 to serve as demos. Given that the Company was unsuccessful in closing financing with Toronto Dominion Bank ("TD"), it was unable to purchase the 12 boats. Accordingly, no boats were sold and the value of 10 boats was reversed out of inventory and accounts payable on December 31, 2022. Further review and investigation is required in this matter.

## **J. Dealer Agreements and 2833713 Ontario Inc. (283)**

42. The Receiver was provided with approximately 36 Dealer Agreements. All Dealer Agreements, that were dated through to October 2021, reflect Oasis Global Inc. as the Distributor granted rights with respect to distribution of Segway Powersports products (the "**Distributor**"). Dealer Agreements that were dated from November 2021 and onwards, reflected 283 as the Distributor. The Receiver notes that there was one agreement, dated in January 2021, reflecting 283 as the Distributor.

43. As well, the Receiver was provided with a Distribution Contract – Addendum, between 283 and Segway Powersports ("**Distribution Contract**"), which is attached hereto as **Appendix "H"**. This Distribution Contract reflects that 283 owns the exclusive rights to the distribution of Segway Powersports Products in Canada. The Receiver noted the following discrepancy in the Distribution Contract: the document was dated February 11, 2023, however, the term reflected therein commenced on July 15, 2021, and runs until October 30, 2026. As well, the Distribution Contract states that it is an "Addendum". The Receiver requested whether there was an original Distribution Contract and to be provided with same. Further investigation and review is required in this area.

44. The Receiver was advised by Mr. Rivers that 283 was incorporated for the purpose of being granted the rights of the Distributor for the Segway powersport motors. Therefore, 283 is a special purpose vehicle solely created to hold this distributorship agreement. Mr. Rivers also advised that all of the operations of the Segway Business (Oasis and 283) are reported in Oasis.

45. Given that as of the date of this Report, 283 is the Distributor, the Receiver has concerns regarding the status of the ownership of the Inventory and whether sales and the related expenses are being recorded in the correct Company.

46. Based on the foregoing, it is the view of the Receiver, that Oasis and 283 are intermingled and are part of the same business.

47. Accordingly, the Receiver requested from the Company that as part of its monitoring of Oasis, it be provided with the books and records of 283. In its request, the Receiver referred to paragraph 2(a) of the Receivership Order, that states that the Receiver is “to monitor and evaluate the business... of Oasis and/or Rivers carried on through 283.” The Company denied the Receiver’s request stating that these documents are beyond the scope of the Receivership Order. A copy of the email communication in this regard is attached hereto as **Appendix “I”**.

#### **K. Status of Financing**

48. The Receiver has been provided with the following financing information from Barbara Cowper of B.Riley Farber, who has been engaged to assist in the financing of the Company:

- (a) First West Capital Discussion paper March 7, 2022;
- (b) TD Financing Proposal March 15, 2022;
- (c) Demand Operating Facility Agreement with EDC guarantee November 2022;
- (d) Baltimore property appraisal June 2022; and
- (e) TD Expression of Interest April 2023.

49. A review of the financing information notes that the only financing that has been completed is the demand operating facility with the EDC guarantee of USD \$1.8 million dollars. The purpose of the facility is to provide a standby letter of credit in favour of Segway (the manufacturer) for shipment of Recreational Vehicle Products. Therefore, this completed financing does not assist the Company with working capital.

50. The Receiver also notes that the TD Financing Proposal in March 2022 only provides for working capital of up to \$2.0 million or its USD equivalent, with a temporary bulge increasing to \$5.0 million. Further, the TD proposal discusses a sub-debt lender that would provide a paydown of the Chriscwe loan of \$1.5 million. The sub-debt lender appears to be First West Capital, and in their discussion paper, First West Capital discusses a subsequent facility that would provide an additional \$2.5 million, for a maximum total of \$4.0 million of financing to Chriscwe over two separate facilities. This amount is less than half of the judgment amount owed to Chriscwe.

51. It is important to clarify that the TD financing proposal, does not provide for any paydown of the Chriscwe loan, and the First West Capital discussion paper only discusses a paydown of the Chriscwe loan but not the full amount of the judgement.

52. Other than the standby letter of credit guaranteed by the EDC, the discussion paper and proposed financing did not proceed. The Receiver has not been provided with any information from TD or First West Capital as to why they did not proceed. There is no indication that the proposed financing went to the bank's credit department for approval and/or a commitment to finance based on certain conditions to be fulfilled.

53. Mr. Rivers advised that TD requires a subordination of loan of Chriscwe in order to proceed. However, the proposed financing requires the bank's due diligence of several financial areas along with the approval of the bank's credit department. The Receiver has not been provided information that TD is doing its due diligence, or is advancing its approval to the next level, or what the reasons are for not proceeding with financing.

54. One year later in April 2023, TD has provided an Expression of Interest letter for an "Uncommitted Operating Line...to be determined based on..." percentages it would lend against receivables, purchase orders and eligible inventory. The letter qualifies that its terms are "...for discussion purposes only and do not constitute an offer, agreement or commitment to lend...Bank has not sought or received credit approval".

55. The TD expression of interest letter in April 2023, appears to be a degradation from the TD's financing proposal of March 2022.

56. Based on the financing information provided to the Receiver and the financial information provided to the date of this First Report, the Receiver believes that no near-date financing will be completed by the Company or Mr. Rivers.

## **L General Findings**

57. Based on the information provided to the date of this First Report, the Receiver notes a deterioration of asset value:

- (a) Growing arrears of government remittances from 2021 (\$1,087,010) to 2022 (\$2,084,766) and indications of increasing arrears to the date of this Report;
- (b) Decline in sales by 30% according to Mr. Rivers, and a significant decline in accounts receivable from \$2.9 million in Dec 2022 to \$473,000 in June 2023 leading to insufficient working capital to fund on-going operations, and therefore growing arrears of accounts payable; and
- (c) Paydown of Mr. Rivers shareholders loans of \$740,000 in 2021, \$500,000 in 2022 and payments totaling \$40,000 per month to Mr. and Ms. Rivers, in 2023 while government remittances arrears continues to grow

58. In addition to the foregoing, the Receiver is unable to conduct its duties to monitor the business as required by paragraph 2(a) of the Receivership Order, because the Company has not assisted the Receiver in providing the information necessary to conduct a cash flow analysis. The Receiver has been denied on-line access to bank accounts, on-line access to CRA accounts, statement of accounts or notice of assessments from CRA, and accounts payable or accounts receivable.

59. There has been an intermingling of assets between related parties of Oasis and 283, including manufacturing distribution agreements, dealer agreements and royalties.

60. The Company and Mr. Rivers have also refused to provide the Receiver with 283 financial information such that the Receiver can further understand the intercompany transactions and the full scope of the business operations. The Receiver notes that the Company has provided an Organization Chart reflecting of all of the related companies discussed herein. The Organization Chart is attached hereto as **Appendix "J"**.

61. Incomplete and delayed financial information leading to significant information gaps for proper management decision making.

62. The financing efforts attempted by the Company and Mr. Rivers to date, have not been completed which has resulted in insufficient financing for working capital to pay on-going operations.

63. The financial statements provided to date indicate the Company does not have the financial capabilities to pay the judgement amount owed to Chriscwe. Also, the financing efforts attempted by the Company and Mr. Rivers are insufficient to pay the judgment amount owed to Chriscwe.

64. The Receiver believes that the continued operation as is, will lead to the continued deterioration of asset value for all stakeholders.

## **VI. RECOMMENDATIONS**

65. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court issue an order:

- (a) approving the activities of the Receiver to date;
- (b) expand the non-possessory powers of the Receiver over the assets, property and undertaking of 283 and over Mill Valley Properties Inc.; and
- (c) if necessary, and if just or convenient, to expand the powers of the Receiver in accordance with the Commercial List Model Order in respect of the assets, property and undertaking of Oasis Global Inc., Mark Rivers, 283, and Mill Valley Properties Inc.

All of which is respectfully submitted this 18<sup>th</sup> day of July, 2023.

**CROWE SOBERMAN INC.**

**IN ITS CAPACITY AS COURT APPOINTED INTERIM NON-POSSESSORY RECEIVER OF  
OASIS GLOBAL INC. and JOHN MARK RIVERS**



# APPENDIX C

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

CHRISCWE HOLDINGS INC.

Plaintiff

- and -

OASIS GLOBAL INC. and JOHN MARK RIVERS,  
Also Known as MARK RIVERS

Defendants

**SUPPLEMENTARY REPORT TO THE FIRST REPORT OF THE RECEIVER**

**AUGUST 2, 2023**

Further to the Receiver's First Report, dated July 18, 2023, which has been filed with the Court, the Receiver now reports as follows:

1. On July 24, 2023, the Receiver requested that it be provided with specific documents pertaining to financial information and financing applications on behalf of 283 and Mill Valley. In addition, the Receiver sent a follow-up request regarding information that was yet to be provided to the Receiver regarding Oasis, including but not limited to, specific details of government remittance accounts. A copy of this email is attached hereto as **Appendix "A"**.
2. Mr. Rivers responded by sending bank statements for 283, reflecting the Company's banking activity from January 2022, to date. Based on the Receiver's review of these bank statements, there is not sufficient information reflected therein for the Receiver to opine on the operations of 283. As well, Mr. Rivers responded that there is no additional information to be provided regarding 283 as the books are now in the process of being set up. A copy of this email is attached hereto as **Appendix "B"**.



3. On July 25, 2023, the Receiver requested that it be provided with any and all of the information that will be used for the purpose of bringing 283's books up to date. As well, the Receiver requested to be provided with general information regarding 283. A copy of this email is attached hereto as **Appendix "C"**.
4. On July 26, 2023, Mr. Rivers responded that the Receiver has already been provided with everything regarding 283. A copy of this email is attached hereto as **Appendix "D"**.
5. On July 27, 2023, Mr. Feiner, on behalf of the Defendants', wrote to the Receiver and took the position that the information that the Receiver is requesting to be provided with respect to 283 is beyond the scope of the Receivership Order. A copy of this email is attached hereto as **Appendix "E"**.
6. Given the conflicting responses from Mr. Rivers and Mr. Feiner, it is unclear to the Receiver how to proceed regarding its mandate specifically with respect to 2(a) of the Receivership Order and 7(d)(i) of Justice Kimmel's Endorsement of July 20, 2023.
7. On July 31, 2023, the Receiver sent a follow-up email to Mr. Rivers requesting that it be provided with the information as requested on July 25, 2023. Mr. Rivers responded to refer to Mr. Feiner's email of July 27. A copy of this email is attached hereto as **Appendix "F"**.
8. As well, on July 31, 2023, the Receiver requested that it be provided with specific information regarding the current warranty status between Segay Powersports and each of Oasis and 283.
9. The Receiver notes that it discussed with Mr. Rivers regarding his personal statement of affairs. Mr. Rivers claims that there are two bank accounts in his name. That is, an account at RBC with approximately \$500, and an account at TD with less than \$500. He owns no investments or assets, with the exception of his personal residence located at s 101 Rolph Road, R.R. 2, Baltimore, Ontario. As well, he mentioned that there is an automobile that is in his name, that is included as part of Oasis' balance sheet.
10. Regarding Mr. Rivers' personal income and expenses, the income amount provided was consistent with the amount that was reported in the Receiver's First Report (\$30,000 per month from Oasis). There is nothing unusual to report regarding Mr. Rivers' personal monthly expenses. As well, Mr. Rivers provided his personal income tax returns to the Receiver for the years 2020 to 2022.

11. Further to the Receiver's First Report, specifically Paragraph 37, Mr. Rivers provided the Receiver with the lease agreement between himself and Mill Valley, dated December 15, 2014, which is attached hereto as **Appendix "G"**.
12. As of the date of this report, Oasis has yet to provide the Receiver with details regarding government payroll tax remittance accounts and HST. Specifically, the Receiver has requested documents such as Notices of Assessments or Statement of Accounts from CRA, which can be easily forwarded to the Receiver by the Company. The Receiver is concerned with respect to Oasis' delay in delivering to it the requested information.
13. The Receiver has also requested online viewing access *via* CRA Represent a Client. The Company has neglected to provide this information to the Receiver.
14. Also as discussed in the Receiver's First Report, Oasis has yet to provide cash flow projections and viewing online access to the Company's bank accounts, which the Receiver has requested for the purpose of monitoring the Company's operations.

All of which is respectfully submitted this 2<sup>nd</sup> day of August 2023.

**CROWE SOBERMAN INC.**

**IN ITS CAPACITY AS COURT APPOINTED INTERIM NON-POSSESSORY RECEIVER OF  
OASIS GLOBAL INC. and JOHN MARK RIVERS**



**APPENDIX D**  
**CONFIDENTIAL**

# APPENDIX E

**Oasis Global Inc.**  
**Statement of Receipts and Disbursements**  
**September 1 to October 30, 2023**

<b>Receipts</b>	<b>\$</b>
Opening Cash Balance	5,130.82
Sales (Note 1)	244,343.36
Ebury Funds	<u>35,892.28</u>
<b>Total Receipts</b>	<b>285,366.46</b>
 <b>Disbursements</b>	
Lease Payments	17,680.79
Insurance	11,229.49
Payment to WFG Insurance	20,878.47
Carpenter, Phone	3,414.11
Bank Charges	1,647.54
Payments to Shareholder/Director	27,500.00
Rent	9,130.00
Payroll	153,827.47
Payment to Rise Payroll (accrual)	<u>12,027.61</u>
<b>Total Disbursements</b>	<b>257,335.48</b>
 <b>Balance</b> (Note 2)	 <u><u>28,030.98</u></u>

**Notes:**

1 Sales consist of the following:

	<b>\$</b>
Sep. 1 - Customer	5,562.00
Sep 18 - Dealer - Napanee Powersports	14,287.94
Sep. 21 - Pro-tech Powersports	50,515.53
Sep. 22 - Customer	7,485.61
Oct 3 - Dealer - Powell Powersports	47,569.36
Oct 3 - Customer	6,823.00
Oct 12 - Dealer - Napanee Powersports	54,089.71
Oc. 20 - Customer	8,500.00
Total Sale of Parts (Sep 1 - Oct 30)	<u>49,510.21</u>
	<u><u>244,343.36</u></u>

2 Balance consists of the following:

	<b>\$</b>
TD	25,044.78
Payment to Rise Payroll (accrual)	(12,027.61)
Receiver's Account (Ebury)	<u>15,013.81</u>
	<u><u>28,030.98</u></u>

# APPENDIX F

## WHOLESALE PROGRAM AGREEMENT

This Wholesale Program Agreement is made as of the 30<sup>th</sup> day of March, 2022 (the “**Effective Date**”) by and between **De Lage Landen Financial Services Canada Inc.** having its principal place of business located at 3450 Superior Court, Unit 1, Oakville, Ontario, L6L 0C4 (“**DLL**”) and **Oasis Global Inc.**, having its principal place of business located at 101 Rolph Road, Baltimore, Ontario, K0K 1C0 (the “**Vendor**”).

### WHEREAS:

- (A) the Vendor is engaged in the manufacture and distribution of Products which are distributed to and sold by authorized Canadian Dealers of the Vendor and the Vendor has requested that DLL make available to Dealers a preferred wholesale financing program in Canada to finance Dealer purchases of Products from the Vendor;
- (B) DLL is engaged in the business of wholesale inventory financing and is willing to provide a wholesale financing program on and subject to the terms and conditions of this Agreement; and
- (C) The parties are entering into this Agreement to formalize their arrangements and understandings for the wholesale program contemplated herein.

**NOW THEREFORE**, in consideration of the covenants, agreements, warranties and payments hereinafter set forth and provided for, DLL and the Vendor covenant and agree as follows:

### ARTICLE I PROGRAM SCOPE AND DEFINITIONS

- 1.1 **Scope of Wholesale Financing Program and Agreement.** DLL agrees to establish a Wholesale Financing Program under which DLL will finance Wholesale Financing Transactions on and subject to the terms and conditions set forth in this Agreement.
- 1.2 **Transaction Origination and Support.** The Vendor will, on and subject to the terms and conditions set forth in this Agreement, support the Wholesale Financing Program and allow DLL to originate Wholesale Financing Transactions with Dealers. In furtherance thereof, the Vendor agrees to:
  - (a) actively promote and advertise DLL and its financing products and services to Dealers as the Vendor’s preferred financing source for the origination of Wholesale Financing Transactions; and
  - (b) annually deliver to DLL on or before **December 1**, its forecast of unit sales of Products to Dealers for the ensuing Year.
- 1.3 **Definitions and Meanings.** Except as otherwise expressly provided herein, all capitalized terms used and not defined elsewhere in this Agreement shall have the meanings assigned to them in Exhibit “A” to this Agreement. In this Agreement, words importing the singular number only shall include the plural and vice versa, words importing a specific gender shall include the other gender and references to Persons shall include their successors, heirs, executors, administrators or assigns, as the case may be.

### ARTICLE II WHOLESALE FINANCING PROGRAM

- 2.1 **Agreement to Finance.**
  - 2.1.1 DLL agrees, subject to the terms and conditions of this Agreement, to provide inventory financing to Dealers for prospective Wholesale Financing Transactions using Wholesale Financing Documents provided by DLL with respect to Wholesale Inventory sold by the Vendor to Dealers and for Used Product for use in the Dealers floor plan inventory. DLL and the Vendor shall mutually agree on the terms and conditions of the Wholesale Financing Program; however, in the event the parties cannot agree or upon the occurrence of a Default by the

Vendor hereunder, DLL may change the terms and conditions from time to time upon notice to Vendor.

2.1.2 The Vendor hereby grants DLL the right of first refusal with respect to all financing transactions that could become, subject to the terms and conditions hereof, Wholesale Financing Transactions in Canada, it being agreed to by the Vendor that the Vendor shall, accordingly, not offer, support or facilitate a program of the same or similar nature to the Wholesale Financing Program or offer, support or facilitate financing transactions of the same or similar nature to Wholesale Financing Transactions offered or provided by or through any Third-Party Finance Company except with respect to financings of transactions which DLL has declined, in writing, to approve or accept.

## 2.2 Wholesale Financing Incentives.

2.2.1 The Vendor may at any time or from time to time during the term hereof provide support for prospective Wholesale Financing Transactions made under a Dealer Finance Agreement in the form of Wholesale Incentives on terms and conditions agreed to by the Vendor and DLL from time to time. DLL's decision to provide financing for prospective Wholesale Financing Transactions requested by Dealers or the Vendor shall be solely within the absolute investment discretion of DLL, notwithstanding the support offered through Wholesale Incentives from time to time. The Vendor agrees that it will not provide Wholesale Incentives to any Third-Party Finance Company on any transaction of the nature of a Wholesale Financing Transaction unless DLL has declined, in writing, to approve or accept the financing opportunity for such transaction. The Vendor further agrees that it will not provide, pay or offer any Dealer, Customer or Third-Party Finance Company Wholesale Incentives on any transaction that are better than the Wholesale Incentives offered DLL unless DLL has declined, in writing, to approve or accept the financing opportunity for such transaction and further in that event, the Vendor agrees that it will not provide, pay or offer any Dealer, Customer or Third-Party Finance Company any Wholesale Incentive on any Wholesale Financing Transaction that are better than the Wholesale Incentives offered to DLL.

2.2.2 In the event DLL makes a Wholesale Advance to which a Wholesale Incentive applies, the Vendor will pay DLL the related Wholesale Interest Subsidy on each monthly Settlement Date (as hereinafter defined) unless (1) the payment thereof by the Vendor is prohibited under applicable law; or (2) DLL, in its sole discretion, deducts the Wholesale Interest Subsidy from the amount paid by DLL to the Vendor pursuant to Section 2.10.2 below. DLL shall invoice the Vendor monthly for the aggregate amount of unpaid subsidy the Vendor owes for all subsidized Wholesale Financing Transactions that DLL financed in the preceding month. DLL shall transmit such invoice to the Vendor no later than the 5<sup>th</sup> Business Day of the month following the month for which such subsidy was incurred. The Vendor shall pay DLL such amount within ten (10) days after the date of receipt of DLL's invoice therefore (the "**Settlement Date**"). Any Wholesale Interest Subsidy payment or portion of any Wholesale Interest Subsidy amount not paid within ten (10) days after the Settlement Date shall bear interest at eighteen percent (18.0%) per annum or the maximum amount allowed by law, whichever is less, from the Settlement Date until paid and such interest shall be due and payable upon demand by DLL. If the payment by the Vendor of any portion of any Wholesale Interest Subsidy is prohibited under applicable law, then DLL may immediately terminate this Article II and the other provisions of this Agreement applicable to the Wholesale Financing Program or to Wholesale Financing Transactions. In addition, in the event that interest charged to any Dealer in respect of any Wholesale Advance by DLL has been assessed at lower than DLL's standard rate because of any usury law limitation, then DLL may cease making Wholesale Advances in respect of such Dealer without notice to or consent or approval of the Vendor.

2.3 **Recourse for Non-Approved Dealers.** In the event DLL does not approve a Dealer as an Approved Wholesale Dealer or elects to discontinue a Dealer's status as an Approved Wholesale Dealer, DLL may request support from the Vendor for the declined Dealer. If the Vendor, in its sole discretion, decides to offer to provide support for such Dealer, the Vendor and DLL shall endeavor to enter into a written agreement containing the terms and conditions for such support promptly after DLL's request (each, a "**Recourse Agreement**"); it being agreed that unless DLL shall have entered into the Recourse Agreement, in DLL's sole and absolute discretion, DLL shall not be obligated to provide, or continue to provide, any financing for or on behalf of such Dealer.

2.4 **Repurchase Obligations – Breach of Vendor Warranties.** The Vendor represents and warrants to and agrees with DLL that: (a) title in the New Product covered by a Wholesale Inventory Invoice has been passed to the



Dealer identified in the Invoice, free of all liens, claims and encumbrances, (b) the obligation arising in connection with any Wholesale Advance is not, and shall not become, subject to any defense, set-off, counterclaim, or dispute existing or asserted with respect thereof which arises through the Vendor or as a result of action or inaction by the Vendor in respect of Wholesale Inventory, (c) the Vendor has not made any agreement with any Person (including any Approved Wholesale Dealer) for any deduction or discount of the sum payable in respect of any Product covered by any Wholesale Advance other than discounts and allowances provided for under an applicable Wholesale Financing Program and (d) the New Product which is subject to any Wholesale Advance has been delivered as described on such Invoice and that spare parts are available for such Product. In the event of a breach of any of the representations and warranties contained in this Section 2.4, the Vendor shall repurchase any remaining Wholesale Inventory financed by DLL and pay DLL the outstanding Repurchase Price for such remaining Wholesale Inventory, such Repurchase Price to be determined as of the date of payment by the Vendor to DLL in full of such price.

- 2.5 **Repurchase Obligations – Dealer Termination.** In the event the Vendor provides notice of termination to any Dealer or any Dealer provides written notice of termination to the Vendor, for any reason (each a “**Dealer Termination**”), unless the notice is revoked in ten (10) Business Days, the Vendor shall repurchase any remaining Wholesale Inventory financed by DLL and pay DLL the outstanding Repurchase Price for such remaining Wholesale Inventory for such Dealer, such Repurchase Price to be determined as of the date of payment by the Vendor to DLL in full of such price. The requirements of this Section shall be in addition to and not in limitation of any repurchase obligations imposed on Vendor under applicable law or contract upon a Dealer Termination.
- 2.6 **Repurchase Obligations – Dealer Defaults.** If a Dealer defaults in payment with respect to any Outstanding Balance, the Vendor shall repurchase any remaining Wholesale Inventory financed by DLL and pay DLL the outstanding Repurchase Price for such remaining Wholesale Inventory less the unpaid accrued Wholesale Financing Dealer Rate interest, delinquency charges, and Collection and Repossession Costs incurred by DLL for such remaining Wholesale Inventory, such Repurchase Price to be determined as of the date of payment by the Vendor to DLL in full of such price.
- 2.7 **Repurchase Obligations – Exiting Canada.** In the event the Vendor announces or exits the Canadian market, as evidenced by (a) failing to have representatives in Canada, (b) failing to manufacture and/or distribute any New Products for a 6 month period, (c) notifies any Dealers or the market in general that they will no longer be manufacturing and/or distributing new equipment in Canada, or (d) otherwise indicates its intent to exit the Canadian market, the Vendor shall repurchase any remaining Wholesale Inventory financed by DLL and pay DLL the outstanding Repurchase Price for such remaining Wholesale Inventory that remains outstanding one hundred and eighty (180) days after such announcement or event, such Repurchase Price to be determined as of the date of payment by the Vendor to DLL in full of such price.
- 2.8 **Recourse and Repurchase Settlement.** The Vendor shall pay DLL any Repurchase Price owed under Sections 2.4, 2.5, 2.6 or 2.7 within thirty (30) days after demand for payment is made by DLL, time being of the essence. The Vendor acknowledges that the Vendor may be liable to the Dealer for amounts in addition to the Repurchase Price owing to DLL with respect to an Invoice in accordance with applicable law. Amounts not paid within the time frames set out in this Section 2.8 shall bear interest at eighteen percent (18.0%) per annum or the maximum amount permitted by law, whichever is less, from the date of demand until paid and such interest shall be due and payable upon demand by DLL. Upon payment in accordance with this section, DLL will assign to the Vendor all of its right, title (if any) and interest in and to the Wholesale Inventory and the Wholesale Financing Transaction, “AS-IS, WHERE-IS” without representation or warranty of any kind by or recourse to DLL.
- 2.9 **Obligations Absolute; Subordination by the Vendor.**
- 2.9.1 The liability and obligations of the Vendor to DLL under Section 2.2, 2.4, 2.5, 2.6, 2.7 and 3.3 shall be absolute and unconditional and shall not be released, discharged, limited or in any way affected by (a) any lack of validity or enforceability of any Wholesale Financing Document or any other agreement executed by a Dealer or any guarantor of the Dealer’s obligations to DLL in connection with any Dealer Finance Agreement, any change in the time, manner or place of payment of or in any term of such agreements or the failure on the part of any Dealer to carry out any of its obligations under any such agreements, (b) any impossibility, impracticability, frustration

of purpose, illegality, force majeure or act of government, (c) any Sale Out of Trust, fraud, Fraudulent Act, misrepresentation or omission, by or on behalf of any Dealer or any guarantor relating to a Dealer's obligations to DLL, (d) the bankruptcy, wind-up, liquidation, dissolution or insolvency of any Dealer or any guarantor of a Dealer's obligations to DLL, (e) any lack or limitation of power, incapacity or disability on the part of any Dealer or any guarantor of Dealer's obligations to DLL or any other irregularity, defect or informality on the part of any Dealer in respect of its obligations to DLL or on the part of any guarantor of a Dealer's obligations to DLL, (f) any other law, regulation or other circumstance which might otherwise constitute a defense available to, or discharge of, any Dealer in respect of its obligations to DLL or any guarantor of such obligations to DLL or (g) any circumstances which otherwise constitute a legal or equitable release, discharge or defense of a guarantor.

2.9.2 Without limiting the generality of the foregoing, without releasing, discharging, limiting or otherwise affecting in whole or in part the Vendor's liability and obligations to DLL under this Agreement and without obtaining the consent of or giving notice to the Vendor, DLL may (a) grant time, renewals, extensions, indulgences, releases and discharges to any Dealer or any guarantor of a Dealer's obligations to DLL, (b) take or abstain from taking or enforcing collateral from any Dealer or from perfecting any security interest in any collateral of any Dealer, (c) accept compromises from the Dealer or any guarantor of a Dealer's obligations to DLL and (d) otherwise deal with any Dealer or any guarantor of a Dealer's obligations to DLL. Unless otherwise agreed in writing by the Vendor and DLL, the Vendor agrees that it will not exercise any rights it may have acquired from DLL, whether by assignment, subrogation, contribution, reimbursement, recourse, exoneration, contract or otherwise, to recover (x) from any Dealer, co-obligor with any Dealer, a surety or guarantor of any Indebtedness of such Dealer, (y) from any property or collateral of any such Person or (z) on account of any Indebtedness acquired from DLL, until all Indebtedness of such Dealer retained or owned by DLL, if any, shall have been fully paid and discharged.

2.9.3 The Vendor subordinates payment of all Indebtedness acquired from DLL to the prior payment in full of all Indebtedness of such Dealer retained by DLL or owed by the Dealer to DLL. The Vendor shall not exercise or enforce any right of contribution, reimbursement, recourse or subrogation as to any Outstanding Balance owed by a Dealer or against any person liable therefore or any collateral security therefore which is otherwise available to the Vendor as a result of payment to DLL under Sections 2.2, 2.4, 2.5, 2.6, 2.7 and 3.3 hereof unless and until the entire Outstanding Balance owed by such Dealer shall have been fully paid to DLL and discharged

## 2.10 Funding Wholesale Financing Transactions.

2.10.1 The Vendor will give DLL notice, by email or facsimile transmission, of (a) its intent to ship New Product to the Dealer named as purchaser under an Invoice, and (b) the corresponding Finance Amount in respect of such Invoice (each an "**Invoice Funding Notice**"). DLL will review the Invoice Funding Notice and DLL shall either issue (a) an approval number (the "**Approval Number**") to the Vendor evidencing DLL's election to provide financing for the Product subject to the Invoice Funding Notice, or (b) a decline indicating DLL's decision not to finance the Product and the reasons for such election. DLL shall make a Wholesale Advance on the Dealer's behalf for the Finance Amount for the Dealer's purchase of the Product subject to an Invoice if the Vendor submits the Invoice (together with reference to the Approval Number) (together, the "**Funding File**") to DLL within thirty (30) days after DLL's issuance of the Approval Number.

2.10.2 Invoices may be in the form of an electronic document and shall be submitted to DLL for funding by facsimile or other electronic transmission in accordance with procedures and arrangements established by the Vendor and DLL from time to time. The submission and transmission of each Invoice to DLL shall (a) constitute a delivery of the Invoice to DLL, and (b) constitute a representation and warranty by the Vendor to DLL that: (i) the New Product referenced in such Invoice has been shipped or will be shipped within five (5) Business Days after submission of such Invoice to DLL, (ii) the purchase of the New Product referenced in such Invoice was ordered by the Dealer referenced in such Invoice and (iii) neither the Invoice nor Vendor's interest therein has been or will be assigned to any Person other than the Dealer. Each Invoice shall record the applicable Dealer as the "sold to" party and DLL as the "bill to" party. DLL shall fund the Vendor electronically for Wholesale Inventory Invoices financed on behalf of a Dealer by DLL under the Wholesale Financing Program. DLL shall fund the Vendor no more than forty-eight (48) hours after receipt of the Funding File.

## 2.11 Principal Curtailments; Interest.



- 2.11.1 Curtailments of principal of the amount of Product financed by DLL for each Dealer shall be due and payable in accordance with the curtailment requirements set forth in the Dealer Finance Agreement applicable to such Dealer.
- 2.11.2 Outstanding Balances owed by a Dealer when no Wholesale Incentives are in effect shall bear interest from the date advanced or paid at a rate per annum equal to the rate set out in the then applicable Dealer Finance Agreement.
- 2.11.3 DLL shall advise the Vendor of the Outstanding Balances owed by each Dealer as of the end of each month, but only if and to the extent sharing such information as to a particular Dealer is permitted under applicable law.
- 2.12 **Field Audits and Inspections.** DLL may conduct field audits and inspections of Wholesale Inventory in accordance with DLL's field audit and inspection policy developed by DLL from time to time, provided, however, DLL reserves the right to conduct field audits and inspections of Wholesale Inventory at any time. DLL auditors and inspectors will attempt to resolve any audit or inspection exception at the conclusion of the audit or inspection. The Vendor will assist DLL in its field audits and inspections of Wholesale Inventory. DLL may audit any Wholesale Inventory being demonstrated by a prospective Customer and any aged inventory Wholesale Inventory.
- 2.13 **Dealer Allowances.** In the event a Dealer proposes to make any deduction from an Outstanding Balance owing to DLL by the Dealer in connection with any retail or settlement allowance or other discounts or allowances provided for by the Vendor to the Dealer on such Product, DLL shall reduce any amount owed to the Vendor by an amount equal to that claimed or deducted by the Dealer. DLL shall not have an obligation to validate such deductions. The Vendor agrees that DLL shall not be liable for any disputes between the Dealer and the Vendor associated with such reduction.

### ARTICLE III EVALUATION AND APPROVAL OF DEALERS

- 3.1 **Evaluation of Dealers.**
- 3.1.1 Upon receipt of a Dealer's credit application for inventory financing and all other requested information from a Dealer, DLL shall evaluate such Dealer to determine its eligibility to participate under the Wholesale Financing Program. DLL may require the Dealer to provide such information as it deems necessary to evaluate the credit worthiness of the Dealer.
- 3.1.2 DLL may, in its sole discretion, at any time or from time to time preclude, suspend or condition the eligibility of any Approved Wholesale Dealer from continued participation under the Wholesale Financing Program, including without limitation, (i) if a Dealer is in default or breach of any of its obligations to the Vendor or DLL under any applicable agreement, or (ii) DLL has determined, in its sole discretion, that a Dealer has experienced a Material Adverse Event in its financial or operating condition or otherwise does not meet DLL's then current credit extension criteria. DLL shall advise the Vendor of each Dealer approval or rejection for eligibility under the Wholesale Financing Program and of any change in a Dealer's status for continued eligibility for participation under the Wholesale Financing Program.
- 3.1.3 Unless the Vendor gives DLL written notice to the contrary, all Approved Wholesale Dealers shall be considered to be operating with the approval of the Vendor and therefore eligible for the Wholesale Financing Program contemplated by this Agreement. DLL shall be entitled to rely upon the continuing eligibility of each Approved Wholesale Dealer hereunder unless and until DLL receives notice in writing (including via email) from the Vendor as to the ineligibility of a Dealer; provided, however, that any financing approved in writing or actually extended by DLL prior to receipt of such notice shall be subject to the terms of this Agreement.
- 3.2 **Approved Wholesale Dealers and Credit Limit.**
- 3.2.1 DLL may preclude, suspend or condition any Approved Wholesale Dealer from continued participation under

the Wholesale Financing Program at any time or from time to time, in DLL's sole and absolute discretion. DLL shall advise the Vendor of any such for any Approved Wholesale Dealer.

- 3.2.2 DLL shall establish a Credit Limit (which may be \$0.00) for each Dealer. Each Dealer shall have a Credit Limit of \$0 initially and until DLL establishes a different Credit Limit for such Dealer. DLL may establish any Credit Limit and subsequently change a Credit Limit for any Approved Wholesale Dealer at any time and from time to time, in DLL's sole and absolute discretion. DLL shall advise the Vendor of the Credit Limit promptly after each change of the Credit Limit for any Approved Wholesale Dealer, subject to contractual provisions entered into with such Dealer. All Credit Limits shall be uncommitted credit lines.
- 3.2.3 DLL's approval of any Approved Wholesale Dealer shall be made in accordance with the Credit Policy and shall be solely for DLL's internal guidance purposes and shall not be construed, or relied upon by any Person, including, without limitation, the Vendor or any Dealer, as a commitment to provide financing or letter of intent to or in favor of any Dealer.
- 3.3 **Vendor Requests to Exceed Credit Limit.** The Vendor may from time to time request, in writing or by electronic communication, that DLL extend credit to a Dealer in excess of the Credit Limit of such Dealer and DLL may, in its sole discretion, elect to make a Wholesale Advance in respect of a Wholesale Inventory Invoice even though the aggregate Outstanding Balance owed by a Dealer immediately prior to or after advancing funds to or for the benefit of the Dealer does or would exceed such Dealer's Credit Limit (a "**Dealer Overline**"). The Vendor hereby unconditionally guarantees to DLL prompt payment of any Dealer Overline Amount and agrees to indemnify DLL against any loss in respect of any Dealer Overline notwithstanding any bankruptcy or liquidation of any such Dealer. For purposes hereof, "**Dealer Overline Amount**" in respect of any Dealer means the amount by which the Outstanding Balance owed by such Dealer as of the date such Dealer defaults in payment exceeds the then current Credit Limit assigned by DLL (not taking into consideration the Vendor's agreement to provide overline recourse). To the extent a Dealer is placed on hold, the then current Credit Limit shall be the Credit Limit immediately prior to DLL placing the Dealer on hold. For example, if at the time of a Dealer default, the outstanding balance is \$120,000 and the DLL Credit Limit was \$100,000, assuming the Vendor had requested the Dealer Overline as contemplated in this Section, the Vendor's guarantee and indemnity obligations would be for \$20,000.00 to DLL. The guarantee obligation contemplated in this Section arises as a result of the request by the Vendor to DLL for DLL to provide Dealer Overline and it shall not be considered a condition of the guarantee that the specific Dealer Overline guarantee be evidenced in any writing other than that contained in this Section 3.3. The guarantee contained in this Section 3.3 is in addition to any other recourse obligations of the Vendor contained in this Agreement.
- 3.4 **Assistance with Dealer Sign-Up.** The Vendor agrees to assist DLL in the sign-up of Dealers as Approved Wholesale Dealers as requested by DLL from time to time.
- 3.5 **@oncefinance.** At the continuing direction of DLL and subject to DLL's Web Site Terms and Conditions of Use, DLL will make its @oncefinance website or a similar successor system provided or named by DLL, or such other websites as DLL elects, available to Vendor and/or Approved Wholesale Dealers for use in the origination and/or processing and/or provision of information about Wholesale Financing Transactions, on a non-exclusive, non-transferable basis.

#### **ARTICLE IV REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE VENDOR**

- 4.1 **General.** The Vendor represents and warrants to, and agrees with, DLL as follows:
- 4.1.1 The Vendor is an Ontario corporation validly incorporated and existing in its jurisdiction of creation, is in good standing in all jurisdictions where the nature of its business transacted makes such qualification necessary, has the power and authority to own its property and assets and to carry on its business as now being conducted by it.
- 4.1.2 The Vendor has the power to execute, deliver and carry out the terms and provisions of this Agreement and all other documents to be executed and delivered in connection with or pursuant to this Agreement and has taken



all necessary corporate action with respect thereto. This Agreement is valid and binding upon the Vendor and is enforceable against the Vendor in accordance with its terms and the Vendor has the authority to make the representations, warranties and agreements contained in this Agreement.

- 4.1.3 Neither the execution and delivery of this Agreement and the other documents to be executed and delivered in connection with or pursuant to this Agreement nor the consummation of the transactions contemplated under this Agreement and the compliance with the terms and conditions of this Agreement and the other documents to be executed and delivered in connection with or pursuant to this Agreement will conflict with, result in the breach of or constitute a default under any material indenture, mortgage, deed of trust, agreement or other instrument to which the Vendor is a party or by which the Vendor is bound nor will it violate any provision of law, regulation court decree or order applicable to or binding upon the Vendor, or result in the creation or imposition of any lien, charge or encumbrance on any of the property or assets of the Vendor.
- 4.1.4 The Vendor has maintained and at all times shall maintain in full force and effect all licenses, permits and other grants of authority required to carry on its business in each jurisdiction in which the nature of its business requires qualification under applicable federal or provincial law, rule or regulation, including, without limitation, any required vendor license or similar operating authority. For the purposes of the *Excise Tax Act* (Canada), the Vendor is a GST/HST registrant.
- 4.1.5 The Vendor agrees to provide DLL with the reviewed annual financial statements of the Vendor and its parent, as requested by DLL, including its balance sheet as of its fiscal year end and the related income statement and cash flow statement, together with the related auditor's report thereon, promptly after the same become available and, in any event, within one hundred and eighty (180) days after the end of each fiscal year.
- 4.2 **New Product.** The Vendor represents and warrants to, and agrees with, DLL as follows with respect to New Product covered under a Wholesale Financing Transaction:
- 4.2.1 All New Product financed under such Wholesale Financing Transaction has been warranted by the Vendor in accordance with industry standards and the Vendor's existing warranty policies and practices, and the Vendor will perform all of its obligations provided for by such policies and practices and under such warranties. To the extent that any such Product Warranties are limited to the first purchaser of the Product, DLL shall be entitled to treatment as a first purchaser following repossession which status DLL may pass to a subsequent purchaser, a Dealer or a Customer, as applicable, of the Product for the balance, if any, of the original warranty term. Such parties will be required to follow the Vendor's standard warranty policies and procedures.
- 4.2.2 Title to and ownership of New Product subject to a Wholesale Financing Transaction shall pass from the Vendor to the Dealer upon DLL's payment for such New Product to the Vendor. Upon DLL's payment to the Vendor of the purchase price of any item of New Product, such New Product shall be free and clear of any and all liens and encumbrances whatsoever and upon such full, complete and unencumbered title to the New Product shall vest in the Dealer.
- 4.2.3 The Vendor will remain responsible for and shall promptly fulfill and perform all obligations, covenants, liabilities, warranties and duties, if any, to be fulfilled or performed by the Vendor in connection with any other agreements or instruments executed by the Vendor with respect to the delivery, installation, maintenance or servicing of such Product, it being expressly agreed that DLL and any subsequent assignees of DLL do not assume and shall have no obligation or liability with respect to any warranty or other agreement or instrument which obligations the Vendor expressly retains and covenants will be fully performed and discharged by the Vendor.
- 4.2.4 The Vendor will make available replacement parts for such New Product in accordance with industry standards, Vendor's policies and applicable law.
- 4.2.5 The Product subject to each Wholesale Financing Transaction has been described accurately and completely in all documentation provided to DLL by the Vendor, including complete model numbers and serial numbers, and is eligible for all Product Warranties made available by the Vendor.

- 4.2.6 The Vendor has provided training and Product support to each Dealer as necessary to enable each Dealer to adequately and properly service and set-up such New Product.
- 4.2.7 The Vendor agrees to promptly forward to DLL, but not in any event later than five (5) days following the Vendor's receipt, copies of any notice(s) received by the Vendor pursuant to any federal, provincial or local product safety law, rule or regulation, to the extent such notice relates to the any such Product, including, without limitation, any notice of a defect related to motor vehicle safety or notice that the Product does not comply with any applicable motor vehicle safety standard prescribed under any applicable law. Such notice shall identify the specific items of Product to which such notice applies and shall be directed to the attention of DLL's Director of Asset Management.
- 4.3 **Financing Programs.** The Vendor represents and warrants to, and agrees with, DLL as follows with respect to the Wholesale Financing Program made available by DLL pursuant to this Agreement:
- 4.3.1 The Vendor agrees to meet with DLL on a quarterly basis to furnish DLL with information concerning planned Product introduction, discontinuation of Product, and pricing, including all trade or special discounts offered to Dealers or customers by the Vendor, and review the effectiveness of the Wholesale Financing Program.
- 4.3.2 Following the introduction of new Products (a) the Vendor agrees to assist the Dealers in selling any existing Product that is still financed under the Wholesale Financing Program via competitive retail finance offers and (b) the Vendor agrees that DLL may require any or all Dealers to pay an incremental curtailment to ensure that amount financed is comparable to the market value of any existing Products financed under the Wholesale Financing Program.
- 4.3.3 The Vendor will perform its obligations in respect of the Wholesale Financing Program set forth in this Agreement.
- 4.4 **Dealers.** Vendor represents and warrants to, and agrees with, DLL as follows with respect to each Dealer:
- 4.4.1 The Vendor has provided, upon request of DLL, to the extent permitted by law, all financial and credit information the Vendor has with respect to the Dealer, including without limitation its financial experience with the prospective Dealer and all information based upon the Vendor's experience is accurate and complete and the Vendor knows of no untruths associated with all such information provided to DLL.
- 4.4.2 With respect to each Wholesale Financing Transaction, the Vendor is not aware of any information to suggest that such Dealer or any employee, agent, representative or contractor of such Dealer has engaged in any fraud, misrepresentation or breach of trust as of the date such Wholesale Financing Transaction is funded by DLL or, if the Vendor is or becomes aware of any such information, the Vendor will advise DLL immediately upon becoming aware of or possessing any information to suggest that such Dealer or any employee, agent, representative or contractor of such Dealer has engage in any fraud, misrepresentation or breach of trust in respect of any Wholesale Financing Transaction.
- 4.4.3 As of the date each Wholesale Financing Transaction is funded, the subject Dealer is in good standing with the Vendor, no material default has occurred and is continuing under such Dealer's Dealer Agreement or any other agreement with the Vendor to which such Dealer is a party, such Dealer is not in default under or in respect of such Wholesale Financing Transaction or any of the Dealer's obligations to the Vendor and no event has occurred which, with the passage of time or giving of notice, would constitute a default by such Dealer under or in respect of such Wholesale Financing Transaction, or, if a Dealer is not in good standing with the Vendor or is in default under any agreement with the Vendor or under or in respect of any Wholesale Financing Transaction or any of the Dealer's obligations to the Vendor, the Vendor will advise DLL immediately.
- 4.4.4 The Vendor shall notify DLL promptly of (a) any potential, contemplated or actual termination or non-renewal of a Dealer Agreement, (b) notice of any Dealer being more than sixty (60) days past due on any accounts with the Vendor or of any Dealer placed on C.O.D. or other restricted credit terms by the Vendor, (c) information concerning any change in identity (including a change in corporate name), ownership or business structure of any Dealer or any proposed sale of shares or assets of any Dealer, to the extent the Vendor has notice of any of



the foregoing, and (d) other relevant information with respect to the Vendor's experience with the Dealer, including without limitation audit experience.

- 4.5 **Wholesale Financing Transactions.** The Vendor represents and warrants to, and agrees with, DLL with respect to each Wholesale Financing Transaction as follows:
- 4.5.1 As of the date such Wholesale Financing Transaction is funded by DLL, neither the Vendor nor any of its agents, employees or representatives has committed any fraudulent act or activity or participated in any fraudulent act or activity in respect of such Wholesale Financing Transaction or the execution, delivery or performance of this Agreement.
- 4.5.2 As of the date a Wholesale Financing Transaction is funded by DLL and thereafter, the Vendor has not taken, and will not take, any action that has caused or will cause such Wholesale Financing Transaction or Wholesale Financing Transaction Document to be or become invalid, cancelable or unenforceable.
- 4.5.3 The only express or implied warranties or representations made by the Vendor to the Dealer or Customer that is a party to such Wholesale Financing Transaction are those contained in its standard Product Warranty or maintenance agreement.
- 4.5.4 As of the date such Wholesale Financing Transaction is funded by DLL, the Vendor has disclosed to DLL all credit history and information given to the Vendor concerning the Dealer and any Customer that are parties to such Wholesale Financing Transaction or any guarantor supporting such Wholesale Financing Transaction (including any information or fact or circumstance which would constitute a default under any Wholesale Financing Transaction Document related to such Wholesale Financing Transaction).
- 4.5.5 As of the date such Wholesale Financing Transaction is funded by DLL, there exist no agreements between the Vendor and the Dealer or any Customer that are parties to such Wholesale Financing Transaction or any guarantor supporting such Wholesale Financing Transaction which do or will modify, amend or waive any terms or conditions of the applicable Wholesale Financing Transaction Document.
- 4.5.6 The Vendor's conduct, if any, in connection with the consummation and funding of any Wholesale Financing Transaction will not subject DLL to suit or administrative proceeding under applicable law, rule or regulation.
- 4.5.7 With respect to each Wholesale Financing Transaction: (a) the Vendor has delivered to the Dealer the sole Invoice related thereto, (b) the Invoice related thereto is a legal, valid and binding obligation of the Dealer named in such Invoice and is enforceable against such Dealer in accordance with its terms and the terms of the related Wholesale Financing Transaction Document, (c) there are no set-offs, counterclaims or defenses on the part of the Dealer named in such Invoice to make payments under or in respect of such Invoice or the related Wholesale Financing Transaction except as the same may be limited by bankruptcy, insolvency or similar laws affecting creditor rights generally and (d) all applicable taxes which may apply to the sale of the Product described in the Invoice or its use by the Dealer and all import duties payable by the Vendor in respect of such Product have been paid.
- 4.5.8 All information furnished to DLL by the Vendor concerning the Dealer that are parties to such Wholesale Financing Transaction or any guarantor supporting such Wholesale Financing Transaction as of the date such Wholesale Financing Transaction is funded by DLL is accurate and the Vendor has not withheld any information concerning such Dealer that could adversely affect DLL.
- 4.5.9 If the Vendor has received any payment or prepayment prior to transfer of the related Wholesale Financing Transaction to DLL, or receives any payments or prepayments in respect of a Wholesale Financing Transaction Document which, by the terms of this Agreement or such Document belong to DLL, the Vendor will promptly remit such payments to DLL.
- 4.5.10 No agreement or instrument has been, or will be, executed by the Vendor that changes, modifies or waives the terms of any such Wholesale Financing Transaction.

- 4.6 **Remedies for Breach.** In the event that any representation, warranty or agreement made by the Vendor in this Article IV or Section 2.10.2 is breached, at DLL's request, the Vendor shall repurchase any remaining Wholesale Inventory financed by DLL and pay DLL the outstanding Repurchase Price for such remaining Wholesale Inventory subject to the breach, such Repurchase Price to be determined as of the date of payment by the Vendor to DLL in full of such price, and upon payment in accordance with this section, DLL will assign to the Vendor all of its right, title and interest in and to the Wholesale Inventory and the Wholesale Financing Transaction, "AS-IS, WHERE-IS" without representation or warranty of any kind by or recourse to DLL. Amounts not paid within ten (10) days after demand shall bear interest at eighteen (18.0%) per annum or the maximum amount allowed by law, whichever is less, from the demand until paid and such interest shall be due and payable upon demand by DLL.

## ARTICLE V REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF DLL

- 5.1 **General.** DLL represents and warrants to, and agrees with, the Vendor as follows:
- 5.1.1 DLL is a corporation incorporated pursuant to the laws of Canada and existing in all jurisdictions where the nature of its business transacted makes such qualification necessary.
- 5.1.2 DLL has the power to execute, deliver and carry out the terms and provisions of this Agreement and other documents to be executed and delivered in connection with or pursuant to this Agreement and has taken all necessary corporate action with respect thereto, this Agreement is valid and binding upon DLL and is enforceable against DLL in accordance with its terms and DLL has authority to make the representations, warranties and agreements contained in this Agreement.
- 5.2 **Financing Programs.** DLL represents and warrants to, and agrees with, the Vendor as follows with respect to the Wholesale Financing Program made available by DLL pursuant to this Agreement:
- 5.2.1 DLL agrees to meet with the Vendor on a quarterly basis (which may be by phone) to review the effectiveness of the Wholesale Financing Program.
- 5.2.2 DLL will perform its obligations in respect of the Wholesale Financing Program set forth in this Agreement.

## ARTICLE VI INDEMNIFICATION; LIMITATION OF LIABILITY

- 6.1 **Indemnification by the Vendor.** The Vendor hereby agrees to indemnify and hold harmless DLL, as well as its directors, shareholders, officers, employees, representatives and agents from any cost, damage, expense (including reasonable legal fees), loss or liability of any kind or nature whatsoever arising, either directly or indirectly, out of or as a result of any act or failure to act of the Vendor or the Vendor's employees or agents in the performance of the Vendor's duties and obligations under this Agreement, including any breach of any warranties and representations hereunder, any claims or defenses relating to the Products furnished by the Vendor to any Dealer including all liability and all products liability claims and defenses, any claim that a Product delivered to a Dealer infringes any valid and enforceable claim in any intellectual property right of a third party, any claims resulting from the negligent, reckless or intentional acts or omissions of the Vendor, or from any acts or omissions by the Vendor which exceed the authority provided for herein. The Vendor warrants and agrees to make payment to DLL of any damages sustained or incurred by DLL as a result of the Vendor's breach of its obligations, warranties or representations pursuant to this Agreement.
- 6.2 **Indemnification by DLL.** DLL hereby agrees to indemnify and hold harmless the Vendor, as well as its directors, shareholders, officers, employees, representatives and agents from any cost, damage, expense (including reasonable legal fees), loss or liability of any kind or nature whatsoever arising out of or as a result of any act or failure to act of DLL or DLL's employees or agents in the performance of DLL's duties hereunder, including compliance with any warranties and representations hereunder, or any negligence, reckless or intentional acts or omissions of DLL, to the extent that any such acts or omissions constitute the proximate cause of loss, damage or injury to the Vendor. DLL warrants and agrees to make payment to the Vendor of any



damages sustained or incurred by the Vendor as a result of DLL's breach of its obligations, warranties or representations pursuant to this Agreement.

- 6.3 **Limitation of Liability.** DLL and the Vendor agree that, notwithstanding anything to the contrary herein, neither party is responsible for, and neither party will make any claim against the other for, any consequential, special or indirect damages.
- 6.4 **Survival of Indemnification Provisions.** The indemnifications provided for in Section 6.1 and 6.2 shall be in addition to and not in limitation of any other indemnification or remedy provided for in this Agreement or under applicable law and shall survive any expiration or the termination of this Agreement.

## ARTICLE VII DEFAULT

- 7.1 **Default.** The occurrence of any or all of the following shall constitute a "Default" for purposes of this Agreement:
- 7.1.1 The insolvency of the Vendor or DLL, or the making by the Vendor or DLL of an assignment in bankruptcy or any other assignment for the benefit of creditors, or the commencement by the Vendor or DLL of any proceeding or petition under any liquidation, bankruptcy, insolvency, reorganization, receivership or similar law in Canada or in any other jurisdiction, including under any one or more of the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada) now or hereafter in effect, or the seeking by the Vendor or DLL of the appointment of a trustee, receiver, liquidator or custodian of a substantial part of its property or the consent to such relief, or the Vendor or DLL shall fail generally to pay its debts as they become due;
- 7.1.2 The filing or instituting of any proceeding against the Vendor or DLL seeking to have an order for relief entered against the Vendor or DLL, as applicable, or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including without limitation, *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada) now or hereafter in effect) or seeking appointment of a receiver, trustee, custodian or other similar official for the Vendor or DLL, as applicable, or for any substantial part of its property or assets, under any law in Canada or in any other jurisdiction unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within thirty (30) days of institution;
- 7.1.3 The Vendor or DLL shall have failed to make any payment due hereunder within the time period specified, and shall have failed to cure such failure within ten (10) days after notice duly given;
- 7.1.4 The Vendor or DLL shall have failed to perform any covenant or obligation under this Agreement (other than the failure to make a payment due hereunder) for a period of thirty (30) days after notice duly given or, if cure of performance requires more than thirty (30) days, shall have failed to take reasonable steps toward such cure;
- 7.1.5 The Vendor or DLL shall have breached any representation or warranty given in this Agreement;
- 7.1.6 Any agreement between the Vendor or any Affiliate of the Vendor and DLL or any Rabobank Affiliate is terminated, including without limitation the Retail Program Agreement, if any, entered into between the Vendor and DLL and/or in the event the Vendor breaches any of its warranties, representations or agreements made under any other agreement with DLL; and/or
- 7.1.7 A Material Adverse Event in respect of the Vendor or DLL exists or has occurred.
- 7.2 **Remedies.** In the event of a Default, each party shall have all rights and remedies available to each party with respect to this Agreement, at law and in equity.

## ARTICLE VIII TERM AND TERMINATION

- 8.1 **Term.** Subject to the provisions of Section 8.2 below, this Agreement shall become effective as of the date hereof and shall remain in effect for an initial term of three (3) years, and thereafter shall automatically renew from year to year, provided, however, that either party shall have the right to terminate this Agreement at the expiration of the three (3) year period, or any one year period thereafter, after having first given written notice to the other party of its intention to terminate at least sixty (60) days prior to the expiration of such period.
- 8.2 **Early Termination.** This Agreement may be terminated by DLL or the Vendor, as set out below, as follows:
- 8.2.1 This Agreement may be terminated by DLL immediately upon the occurrence of any Default by the Vendor.
- 8.2.2 This Agreement may be terminated by the Vendor immediately upon the occurrence of any Default by DLL.
- 8.2.3 This Agreement may be terminated by DLL in the event the Vendor ceases to do business and/or there is a Change of Control of the Vendor.
- 8.2.4 This Agreement may be terminated by DLL upon thirty (30) days' notice prior to each annual anniversary of this Agreement in the event the credit committee of DLL fails to re-approve, in its sole and absolute discretion, this Agreement.
- 8.2.5 This Agreement may be terminated upon the mutual agreement of the Vendor and DLL.
- 8.3 **Effect of Termination.** In the event of termination by either party in accordance with any of the provisions of this Agreement, neither party shall be liable to the other, because of such termination, for compensation, reimbursement or damages on account of the loss of prospective profits or anticipated sales or on account of expenditures, inventory, investments, leases or commitments in connection with the business or goodwill of the Vendor or DLL. Termination of this Agreement for any reason shall not affect the rights or obligations of either party hereunder with respect to Wholesale Financing Transactions approved, funded or incurred prior to the termination or to recover damages resulting from a Default by the other party in accordance with Article VII.

## ARTICLE IX MISCELLANEOUS

- 9.1 **Confidentiality.**
- 9.1.1 The Vendor and DLL hereby covenant and agree, each to the other, that they shall not, directly or indirectly, disclose to any third party any proprietary or confidential information of the other party, including, but not limited to, information relating to marketing plans and techniques, the terms and provisions of any Wholesale Financing Document or Wholesale Financing Program, underwriting guidelines, purchase proceeds, purchase requirements, costs, customers and other related technical, corporate, financial or trade information (collectively referred to as, "**Confidential Information**"), except (i) to the extent that they are required, by law, to disclose such information, (ii) as may be necessary and authorized in connection with any Wholesale Financing Document or Wholesale Financing Program, and (iii) to their respective directors, employees, agents, advisors, and shareholders and their respective parent corporations, Affiliates, servicers and sub-servicers (and their respective directors, employees, agents and advisors) who have a reason to know such information in the ordinary course of business, the fulfillment of their fiduciary or contractual responsibilities or the performance of this Agreement or any Wholesale Financing Document and who agree to keep the Confidential Information confidential in accordance with this Agreement. Other than any permitted disclosure set out in this Section 9.1.1, the disclosing party shall remain liable for all unauthorized disclosures of Confidential Information including those of its directors, employees, advisors, and shareholders and their respective parent corporations, Affiliates, servicers and sub-servicers (and their respective directors, employees, agents and advisors).
- 9.1.2 The Vendor and DLL have no obligation with respect to any information disclosed hereunder which: (i) was in

the receiving party's possession before receipt from the disclosing party; or (ii) is or becomes a matter of general public knowledge through no fault of the Vendor or DLL; or (iii) is rightfully received by the Vendor or DLL from a third party without an obligation of confidence; or (iv) is independently developed by the receiving party; or (v) is disclosed under operation of law, governmental regulation, or court order, provided the Vendor or DLL first gives DLL or the Vendor notice and uses all reasonable effort to secure confidential protection of such information. General information falling within the scope of (i) to (v) does not except specific information nor use of combinations of information.

- 9.1.3 The obligations of the Vendor and DLL hereunder shall be in addition to and not in limitation of the terms and provisions of any separate confidentiality agreement at any time entered into between the Vendor and DLL and shall survive the termination of this Agreement.
- 9.2 **Dealer and Customer Information.** The Vendor and DLL agree to share with each other Dealer and/or Customer financial information and/or credit information, but only if and to the extent the sharing or disclosure of such information to or with the other party is not prohibited under applicable law.
- 9.3 **Assignment.**
- 9.3.1 DLL may from time to time, without notice to or the consent of the Vendor, sell or assign any Wholesale Financing Transaction, any obligation owed to DLL by any Dealer or any portfolio of Wholesale Financing Transactions or obligations owed to DLL by any Dealer or Dealers: (a) to any Person which is not a Competitor at the time of the sale or assignment and (b) to any Rabobank Affiliate. This Agreement shall not be assigned by either party without the prior written consent of the other party, except that DLL may from time to time, without the consent of the Vendor, assign, in whole or in part, this Agreement and any of its rights under this Agreement to any Rabobank Affiliate and to any assignee or purchaser of any Wholesale Financing Transaction or any of the obligations owed to DLL by any Dealer or Dealers. This Agreement and all of the rights, title, interest, duties, benefits and obligations herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. In addition, DLL may, without notice to or the consent of the Vendor, delegate any or all of its duties and responsibilities hereunder to any servicer selected by DLL and DLL may, without notice to or the consent of the Vendor, perform and discharge any or all of its duties and obligations hereunder through any servicer selected by DLL.
- 9.3.2 Except for the actual and permitted assigns hereunder, nothing in this Agreement shall be construed to give any person other than the parties hereto any legal or equitable right, remedy or claim under this Agreement, and this Agreement shall be for the sole and exclusive benefit of the parties hereto.
- 9.4 **Entire Agreement.** This Agreement, including without limitation Exhibit "A", contains all of the terms and conditions agreed upon by the parties and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto. All previous communications between the parties regarding the subject matter of this Agreement, either verbal or written, are hereby withdrawn and annulled.
- 9.5 **Additional Documents.** The Vendor agrees to cooperate with DLL in the preparation and implementation of any standard forms of documentation relating to transactions covered by this Agreement, and to promptly execute and deliver any and all reasonable additional documents and take all actions reasonably requested by DLL to fully effectuate the purposes of this Agreement and protect the interests of DLL hereunder.
- 9.6 **Modification.** No modification or waiver of any provision of this Agreement shall be effective unless such modification is in writing and signed by duly authorized representatives of the Vendor and DLL and any such modification or waiver shall then be effective only for the period, on the conditions, and for the specific instances and purposes in such writing.
- 9.7 **No Waiver.** Failure of either party at any time to require performance of any provision hereof shall not affect the right to require full performance thereof at any time thereafter, and the waiver by either party of a breach of any such provision shall not constitute a waiver of any subsequent breach thereof or nullify the effectiveness of such provision.



- 9.8 **Governing Law and Waiver of Jury Trial.** This Agreement is made in and shall be construed under the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to any choice of law provisions or conflict of law provisions. Without prejudice to the ability of the Vendor to enforce this Agreement in any other proper jurisdiction, the Vendor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Vendor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such province. Nothing herein shall limit the right of the Vendor or DLL (or the rights of any permitted successor or assign of either) to bring proceedings against the other in the courts of any other jurisdiction wherein any assets of such other party may be located. DLL and the Vendor hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the parties in the negotiation, administration, performance or enforcement hereof.
- 9.9 **Notices.** Any notice, demand, request, consent or other communication required by this Agreement shall be in writing and sent by registered or certified mail, return receipt requested to the other party at the address stated below (or such other address as may be communicated by one party to the other from time to time), delivered in person or transmitted by facsimile transmission, pdf. or other electronic method to the other party. Notice shall be deemed given three (3) days after the date mailed if sent by registered or certified mail or upon receipt, whichever is earlier, or upon receipt if delivered in person or by facsimile transmission, pdf. or other electronic method.
- |   |  |
|---|--|
| <p>If to the Vendor:<br/>101 Rolph Road<br/>Baltimore, Ontario K0K 1C0<br/>Attention: Mark Rivers, CEO<br/>Fax: N/A<br/>Email: <a href="mailto:mrivers@hoosier-offroad.com">mrivers@hoosier-offroad.com</a></p> | <p>If to De Lage Landen Financial Services Canada Inc.:<br/>3450 Superior Court, Unit 1<br/>Oakville, Ontario L6L 0C4<br/>Attention: President<br/>Fax: 1.877.500.5356<br/>Email: <a href="mailto:LegalNoticesCanada@leasedirect.com">LegalNoticesCanada@leasedirect.com</a></p> |
|---|--|
- 9.10 **Independent Contractors.** DLL and the Vendor are separate entities, and have entered into this Agreement for independent business reasons. Each party shall retain responsibility for its own employees and make appropriate tax withholdings for its own employees. This Agreement is not intended to create: (i) a partnership or joint venture between the parties, and no partnership or joint venture is or shall be created by the execution, delivery or performance of this Agreement, or (ii) an agency relationship between the parties, and neither party (or its employees or agents) shall be authorized as an agent of the other party.
- 9.11 **Currency.** Except as expressly otherwise provided in this Agreement references to currency under this Agreement shall be in lawful currency of Canada (CAD (\$)) and all obligations under this Agreement will be billed to and paid by the parties hereto in lawful currency of Canada (CAD (\$)).
- 9.12 **Accounting.** DLL and the Vendor shall cooperate with each other by furnishing, subject to applicable laws, rules and regulations and each party's then-current internal policies, such records and supporting material relating to payments of fees under this Agreement or payments of amounts owed or made in respect of any Wholesale Financing Transaction as may be reasonably requested in the event either party is audited by any taxing authority.
- 9.13 **Counterparts and Electronic Documents.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract, and shall become effective when one or more counterparts have been signed by the parties hereto and delivered to DLL and the Vendor. If this Agreement is signed electronically, such signature shall be the legal equivalent of a handwritten signature. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (such as "pdf" or "tif") format shall be effective as delivery of an original counterpart of this Agreement. An electronic copy or other reproduction of this Agreement, when printed from electronic records maintained by DLL in the normal course of business, shall be deemed to constitute the sole original and shall be binding on the parties to the same extent as an originally executed version of this Agreement.
- 9.14 **Severability.** Any provision of this Agreement that is prohibited, unenforceable or not authorized shall be

ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof.

- 9.15 **Survival of Remedies.** The covenants, representations, warranties and indemnities of each of the parties contained in this Agreement are made for the benefit of the other party and its assigns, and the same shall survive, remain in full force and effect and be enforceable after the expiration or termination of this Agreement for any reason.
- 9.16 **Press Releases and Other Announcements.** The Vendor shall not issue any press releases or other announcements regarding the program contemplated by this Agreement or with respect to DLL without DLL's prior written consent and approval of such press release and/or announcement.
- 9.17 **Headings.** The division of this Agreement into Sections and the insertion of headings / titles are for the convenience of reference only and shall not affect the interpretation thereof.
- 9.18 **Joint and Several.** Each of the Vendors, if more than one, will be held jointly and severally liable under the terms and conditions of this Agreement for all obligations and liabilities arising under and in connection with this Agreement, including without limitation, for the payment of any amounts due or becoming due to DLL under this Agreement.
- 9.19 **Acknowledgment of Receipt.** The Vendor acknowledges receipt of a copy of this Agreement and each other document and agreement signed by the Vendor in connection with this Agreement and/or the Vendor's obligations to DLL hereunder.
- 9.20 **Trademark Authorization.** DLL may display the name, trademark, trade name, logo or similar identifying term or symbol set out in Exhibit "B" attached hereto (the "**Trademarks**") on any marketing materials, rate cards, program announcements or other program communications and/or other advertising or promotional materials agreed to from time to time by DLL and the Vendor.

The Vendor represents and warrants that the Vendor: (a) is the owner and holder of the Trademarks (b) has the unrestricted right to authorize the use and grant a license to use the Trademarks free and clear of any liens, security interests and rights of any other person or entity and (c) grant of use of the Trademarks by DLL in accordance with the terms and provisions of this Agreement shall not constitute an infringement upon the right of any other person or entity with respect to the Trademarks. The Vendor grants a limited non-exclusive, terminable license to DLL, and its successors, assigns, servicers, sub-servicers, agents, employees and contractors, to use the Trademarks in connection with activities and services contemplated under this Agreement and indemnifies, releases and saves and holds harmless DLL and its successors, assigns, servicers, agents, employees and contractors, from any and all claims, actions, damages or liabilities from the use of such Trademarks in accordance with this Agreement. The Trademarks shall, notwithstanding use by DLL, be and remain the sole property of the Vendor subject to the license granted hereunder. DLL agrees that it shall not acquire any right, title or interest of any nature whatsoever in and to the Trademarks, except for DLL's rights under the license granted herein. DLL agrees that it will, at the sole cost and expense of the Vendor, take such other and further action as the Vendor may reasonably request for the purpose of protecting the Trademarks. Neither this Agreement nor the license granted to DLL herein shall restrict or limit the Vendor's right to use its intellectual property in any way, provided that the preceding statement shall not be construed to grant the Vendor any financial interest in any transaction. The license granted herein shall automatically terminate upon the termination of this Agreement. Upon termination, all rights granted to DLL under this Section shall automatically revert to the Vendor and DLL shall refrain from any further active use of the Trademarks.

The Vendor will, at its own expense, indemnify and defend DLL from and against and will hold DLL harmless from any claims resulting from, arising out of or related to any claims of trademark or other infringement relating to the Trademarks, provided such claims are not caused by DLL's breach of this Agreement.

- 9.21 **Right to Set-Off.** Notwithstanding anything to the contrary in this Agreement, DLL is hereby authorized by the Vendor at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any and all

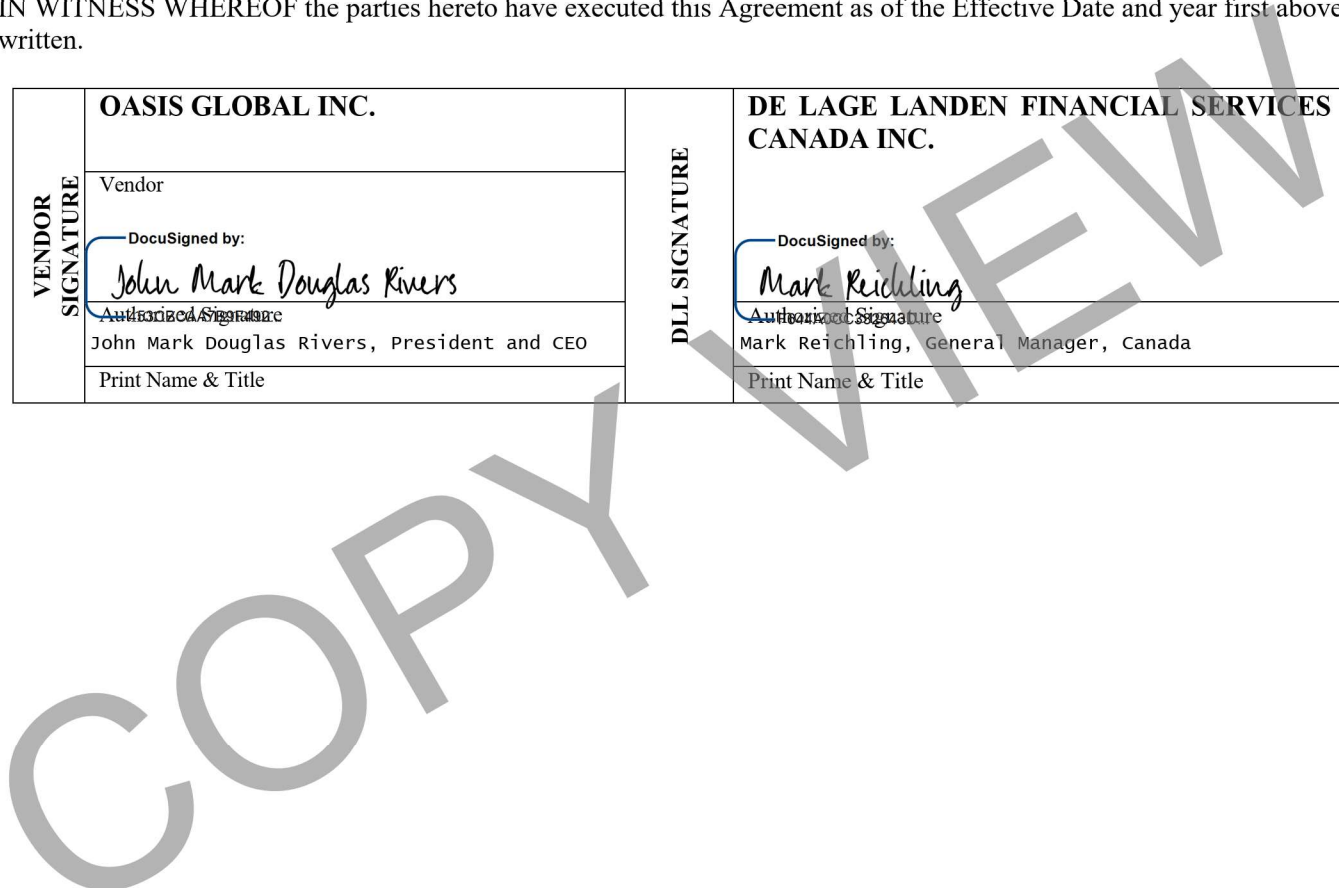
amounts at any time owing by DLL to the Vendor against any and all obligations or amounts that may be owing from time to time by the Vendor to DLL under this Agreement.

9.22 **Choice of Language.** The parties confirm that it is their wish that this Agreement and all other documents related hereto be drawn up in English only. Il est la volonté expresse des parties que cette convention et tous les documents s’y rattachant soient rédigés en anglais.

**IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.**

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date and year first above written.

<b>VENDOR SIGNATURE</b>	<b>OASIS GLOBAL INC.</b>	<b>DLL SIGNATURE</b>	<b>DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.</b>
	Vendor		
	DocuSigned by: <i>John Mark Douglas Rivers</i>		DocuSigned by: <i>Mark Reichling</i>
	Authorized Signature John Mark Douglas Rivers, President and CEO		Authorized Signature Mark Reichling, General Manager, Canada
	Print Name & Title		Print Name & Title





**Exhibit “A”****DEFINITIONS**

“**Affiliate**” means any Person Controlled by, Controlling, or under common Control with the Vendor and/or DLL as the context requires.

“**Agreement**” means the Wholesale Program Agreement to which this Exhibit “A” is attached and forms a part, as amended, modified and extended from time to time.

“**Approval Number**” has the meaning attributed to it in Section 2.10.1.

“**Approved Wholesale Dealer**” means a Dealer who (a) has been approved by DLL for participation under the Wholesale Financing Program and remains eligible for participation, and (b) has delivered to DLL all Wholesale Financing Documents required by DLL in connection with its approval of the Dealer for participation, duly executed by each of the parties to such Wholesale Financing Documents and accepted by DLL.

“**Business Day**” means a day other than a Saturday or Sunday on which banks in Toronto, Ontario are open for business.

“**Change of Control**” means a change in the Control of a party and/or its parent company from the entity or persons having Control as of the Effective Date of this Agreement;

“**Collection and Repossession Costs**” means legal fees, collection agency fees and charges and other costs incurred in recovering possession of Product or enforcing a Wholesale Financing Transaction Document against a Dealer.

“**Competitor**” is an entity engaged in the manufacture of agricultural equipment products that compete with the Products at the time of the sale or assignment.

“**Confidential Information**” has the meaning attributed to it in Section 9.1.1.

“**Control**” (including, with correlative meanings, the terms “Controls”, “Controlling”, “Controlled by”, and “under common Control with”) with respect to any entity means (i) the ownership, directly or indirectly, of 50% or more of the shares, membership or other interest, and other comparable equity interests of such entity, (ii) the possession or ownership, directly or indirectly, of 50% or more of the voting rights in that entity, whether through ownership of shares, or membership or other interest in such entity, or (iii) the possession of the power, directly or indirectly, to (A) direct or cause the direction of the management or policies of such entity, whether through ownership of stock or other equity interest in such entity or of voting rights, by contract or otherwise or (B) elect the majority of the board of directors (or equivalent governing body) of such entity.

“**Credit Limit**” means an amount set by DLL, in DLL’s sole and absolute discretion, as the maximum amount of credit that DLL is willing to make available to a Dealer under such Dealer’s Dealer Finance Agreement at any point in time.

“**Credit Policy**” means the credit policy adopted by DLL, as amended from time to time.

“**Customer**” means any qualified customer of a Dealer.

“**Dealer**” means a distributor or dealer in the business of selling, leasing or renting Products in Canada who has entered into a Dealer Agreement with the Vendor which has not been terminated by the Vendor and who has been approved by DLL to participate in the Wholesale Financing Programs contemplated by the Agreement.

“**Dealer Agreement**” means an agreement between a Person and the Vendor which authorizes such Person to purchase New Products from Vendor for resale or lease or to distribute New Products.

“**Dealer Finance Agreement**” means the financing plan or plans offered by DLL and made available to Approved Wholesale Dealers which may set forth (a) the terms and conditions under which DLL may extend credit to a specific Dealer, a group of Dealers or Dealers generally to finance the acquisition of Wholesale Inventory or Used Product and

(b) the repayment (curtailment), interest, service charges, fees and expenses to be paid by a specific Dealer, a group of Dealer or Dealers generally and other terms applicable to Invoices funded by DLL from time to time.

“**Dealer Overline**” has the meaning attributed to it in Section 3.3.

“**Dealer Overline Amount**” has the meaning attributed to it in Section 3.3.

“**Dealer Termination**” has the meaning attributed to it in Section 2.5.

“**Default**” has the meaning attributed to it in Section 7.1.

“**Effective Date**” has the meaning set out in the opening paragraph of the Agreement.

“**Finance Amount**” means (i) with respect to New Product acquired by an Approved Wholesale Dealer from the Vendor to be financed by DLL under the Approved Wholesale Dealer’s Dealer Finance Agreement, one hundred percent (100%) of the net purchase price shown in the applicable Invoice which may include freight and taxes, and may take into account all reductions related to applicable Wholesale Inventory sales program discounts, demonstration discounts and other miscellaneous discounts and allowances allowed to the Dealer by the Vendor; (ii) with respect to Used Products traded for New Products, if allowed and approved in advance by DLL, eighty five percent (85%) of the average “wholesale value” for such Used Product as determined by the NADA, Iron Solutions, Black or Green guide, as applicable, or other applicable industry standard valuation source, or, if no “wholesale value” is available for such Used Product, an amount no greater than sixty percent (60%) of the trade in allowance reflected in the retail purchase order for the New Product after considering all cash and retail contract or lease proceeds.

“**Fraudulent Act**” means with respect to any Dealer, such Dealer has concealed, removed, transferred or permitted to be concealed, removed or transferred, any part of its assets, so as to hinder, delay or defraud any of its creditors or in such manner as would be fraudulent under any bankruptcy, insolvency, fraudulent conveyance or similar law.

“**Funding File**” has the meaning attributed to it in Section 2.10.1.

“**Indebtedness**” means, with respect to any Dealer, an obligation or liability of such Dealer owed to DLL incurred or arising under the Dealer Finance Agreement applicable to such Dealer, whether arising as a result of an extension of credit or advance made by DLL to or for the benefit of such Dealer, and shall include, without limitation, such Dealer’s obligations and liability in respect of any Wholesale Advance or for any Product financed by DLL, including without limitation, principal, accrued interest, delinquency charges and Collection and Repossession Costs.

“**Invoice**” means any and all written or electronic evidences of indebtedness or obligations arising out of a Dealer’s order, acceptance, purchase, acquisition, billing, shipment and receipt of New Product, including, without limitation, order, acceptances, billing invoices, promissory notes, mortgages and all instruments and documents evidencing and securing the related indebtedness.

“**Invoice Funding Notice**” has the meaning attributed to it in Section 2.10.1.

“**Material Adverse Event**” means the occurrence of any event, condition or act which would materially and adversely affect the business, assets, operations, prospects or condition, financial or otherwise, of the Vendor, DLL or a Dealer, as the context dictates.

“**New Product**” means new and unused wholegoods (no parts) distributed or sold by the Vendor to a Dealer together with all accessories and attachments thereto, and shall specifically include any such wholegoods that have aged as a result of being part of a Dealer’s inventory and any such wholegoods that have incurred usage through the demonstration or rental (if applicable) of such wholegoods, but shall specifically exclude all used goods and all goods traded in on New Product.

“**Outstanding Balance**” means the amount owed by a Dealer for the unpaid Finance Amount advanced or paid by DLL for Wholesale Inventory acquired by such Dealer.

“**Person**” means any natural person, association, bank, business trust, corporation, general partnership, governmental



authority, individual, joint stock company, joint venture, limited liability company, limited partnership, limited liability partnership, non-profit corporation, professional association, professional corporation or any other organization or entity.

“**Product**” means New Product and Used Product.

“**Product Warranties**” means express, implied and statutory warranties extended by the Vendor and/or others in the sale of Products.

“**Rabobank**” means Cooperatieve Rabobank U.A., “Rabobank Nederland”.

“**Rabobank Affiliate**” means Rabobank and any entity that is owned or Controlled, directly or indirectly, by Rabobank.

“**Repurchase Price**” with respect to any Invoice funded by DLL means the amount owed by the Dealer to DLL in respect of such Invoice under the Dealer’s Dealer Finance Agreement, including without limitation, outstanding principal, unpaid accrued interest through the date of purchase, delinquency charges, and Collection and Repossession Costs incurred by DLL in connection with obtaining possession of Product covered by such Invoice or collecting the amount owed by the Dealer in respect of such Invoice.

“**Sale Out of Trust**” means a Dealer’s failure to pay in full a Wholesale Advance to DLL after Wholesale Inventory is rented without DLL’s permission, sold, leased, or otherwise transferred.

“**Settlement Date**” has the meaning ascribed to such term in Section 2.2.2 of the Agreement.

“**Third-Party Finance Company**” means any Person other than DLL, including, without limitation, any Affiliate of Vendor, that provides or offers to provide financing in the form of Wholesale Financing Transactions.

“**Trademarks**” has the meaning ascribed to such term in Section 9.23 of the Agreement.

“**Used Product**” means used wholegoods (no parts), of any description and by whomever manufactured, acquired by a Dealer in trade for New Products or represented or presented by the Dealer as being acquired in trade for New Products.

“**Used Product Advance**” means an advance or extension of credit made by DLL on a Dealer’s behalf in connection with or to finance a Dealer’s acquisition of Used Product and, without limitation or duplication, means the remaining unpaid balance of the original Wholesale Inventory Invoice funded by DLL in connection with the Wholesale Inventory sold to the Dealer and traded for such Used Product.

“**Wholesale Advance**” means (i) an advance or extension of credit by DLL on a Dealer’s behalf for a Dealer’s purchase of New Product from the Vendor pursuant to an Invoice or (ii) a Used Product Advance.

“**Wholesale Financing Document**” in respect of any Dealer means a Dealer Finance Agreement, an inventory security agreement, inventory hypothec agreement, personal property security (or other similar act) financing statement(s) in Canada or the United States, landlord waiver agreement(s), insurance certificates and other certificates, documents and agreements required by DLL in connection with a sign-up of such Dealer for participation under the Wholesale Financing Program.

“**Wholesale Financing Dealer Rate**” in respect of any Dealer means the actual interest rate charged on the Outstanding Balances owed by such Dealer in accordance with the Dealer Finance Agreement applicable to such Dealer.

“**Wholesale Financing Program**” means a wholesale inventory finance program of general or specific application described in Article II to be provided by DLL and supported and endorsed by the Vendor which includes Wholesale Incentives, such as interest rate waivers or reduced interest rate charges, made available to Approved Wholesale Dealers by DLL, and other financial incentives, such as the Vendor recourse or credit support, made available directly to DLL.

“**Wholesale Financing Program Rate**” means, as of any date, the rate, as announced by DLL from time to time to the Vendor as the “Finance Program Rate” for the Vendor.

**“Wholesale Financing Transaction”** means (a) DLL’s original extension of credit to an Approved Wholesale Dealer to finance such Approved Wholesale Dealer’s acquisition of New Product for sale, lease or rent to Customers, including, without limitation, DLL’s acceptance of an Invoice issued by the Vendor with respect to an Approved Wholesale Dealer’s acquisition of New Product, and (b) the continuation or extension of the maturity of such original credit extension by DLL that occurs under the Dealer’s Dealer Finance Agreement when Used Product is acquired in trade for New Product.

**“Wholesale Financing Transaction Document”** in respect of any Wholesale Financing Transaction with any Dealer means the Wholesale Inventory Invoice with respect to such Wholesale Financing Transaction and such Dealer’s Dealer Finance Agreement and each Wholesale Financing Document executed by such Dealer

**“Wholesale Incentive”** means a form or type of financial support in the nature of cash-in-lieu discount, reduced interest rate or interest rate waiver subsidy or other incentives provided by Vendor to DLL in respect of Wholesale Financing Transactions.

**“Wholesale Inventory”** means New Product obtained by a Dealer from the Vendor, the purchase or acquisition of which was financed by DLL.

**“Wholesale Inventory Invoice”** means an Invoice funded by DLL in accordance with the Dealer Finance Agreement applicable to a Dealer. A Wholesale Inventory Invoice shall evidence the Dealer’s obligation to pay for Wholesale Inventory in accordance with the Dealer Finance Agreement applicable to such Dealer.

**“Wholesale Interest Subsidy”** in respect of each Outstanding Balance owed by a Dealer during any month or portion thereof means an amount equal to the difference, if any, between (i) interest calculated on such Outstanding Balance during such month at a rate equal to the then applicable Wholesale Financing Program Rate minus (b) interest on the Outstanding Balance during such month at the rate of interest, if any, (which may be 0.00%) actually charged to the Dealer by DLL during such month.

**“Year”** means the period of time comprised of twelve complete calendar months.

**EXHIBIT "B"**  
**TRADEMARKS**

Insert logo.

COPY VIEW

# APPENDIX G



De Lage Landen Financial Services Canada Inc.  
5046 Mainway, Unit 1  
Burlington, Ontario L7L 5Z1  
Email : [rshipcott@leasedirect.com](mailto:rshipcott@leasedirect.com)  
Tel.: (289) 242.2680  
Fax: 1-877-500-5356

## DELIVERED VIA EMAIL

October 2, 2023

Crowe Soberman LLP  
2 St Clair Avenue East, #110028  
Toronto, Ontario  
M4T 2T5

**RE: Oasis Global Inc. (“Oasis”), John Mark Rivers (also known as Mark Rivers) (“Rivers”) and 2822713 Ontario Inc. (“282”)**

Attention: **Daniel Posner and Hans Rizarri**

Further to our Teams meeting at noon on September 27, 2023 attended by Rodney Pritchard (DLL), Glen Utter (DLL), Daniel Posner (Crowe Soberman LLP), Hans Rizarri (Crowe Soberman LLP) and the undersigned, we are writing this letter to formally request the consent of Crowe Soberman LLP (the “**Receiver**”) pursuant to Section 10 of the Order of The Honorable Justice Osborne dated August 31, 2023 (court file #CV-22-00685133-00CL) to consent to De Lage Landen Financial Services Canada Inc. (“**DLL**”) terminating the Wholesale Program Agreement entered into between DLL and Oasis dated March 30, 2022 (the “**Original WPA**”), as amended by an Amendment No. 1 to Wholesale Program Agreement entered into between DLL, Oasis and 282 dated September 7, 2023 (“**Amendment No. 1**”, and together with the Original WPA, the “**WPA**”).

The decision to seek to terminate the WPA is based on many factors, including without limitation, the following:

1. Oasis and 282 have defaulted under Section 7.1.2 of the WPA as a result of the appointment of a receiver in connection with the property and assets of Oasis and 282.
2. Oasis and 282 have defaulted under Section 7.1.7 of the WPA as a result of the occurrence of a Material Adverse Event (as defined in the WPA) in connection with Oasis making a material misrepresentation about the shareholder/director loans made to Oasis in the 2021 financial statements of Oasis. In the 2021 financial statements for Oasis, it was disclosed that shareholder loans had been made by Rivers to Oasis in the amount of \$4,221,745 and as a result of this disclosure and as a condition to DLL entering into the Original WPA, DLL required Rivers and Oasis to enter into a Subordination Agreement dated March 28, 2022 (the “**Subordination Agreement**”) in favour of DLL subordinating the repayment of these loans. In the non-consolidated financial statements for Oasis dated December 31, 2022, it was disclosed that there were shareholder loans owing in the amount of \$2,000,000 (presumably to Chriscwe Holdings Inc.) and a director’s loan owing in the amount of \$1,716,113 to Rivers.
3. Oasis and 282 have defaulted under Section 7.1.7 of the WPA as a result of the occurrence of a Material Adverse Event in connection with Oasis ceasing to be the authorized distributor of the Segway Powersports products.
4. Oasis has defaulted under the Subordination Agreement by making repayments to Rivers in such amount as to reduce the outstanding amounts owing to Rivers to \$1,716,113 (as reflected in the December 31, 2022

unaudited financial statements) from \$4,221,745 (as confirmed by Rivers in the Subordination Agreement) in contravention of the terms of the Subordination Agreement.

5. Oasis and 282 have defaulted under Section 2.10.2(a) of the WPA as a result of maintaining possession and control of certain inventory that has been funded by DLL (and paid by DLL to Oasis and/or 282) on behalf of the dealerships Del Mastro Motors Limited and Athabasca Outdoor Products Limited in contravention of the requirement that any inventory to be financed by DLL on behalf of dealers shall be “shipped or will be shipped within five (5) Business Days after submission of such Invoice to DLL”. Neither Oasis or 282 advised DLL that they maintained possession and control of this inventory, and this was only discovered as a result of DLL conducting audits at the premises of these dealers and Oasis/282.
6. Oasis and 282 have defaulted under Section 2.10.2(b) of the WPA as a result of Oasis and/or 282 submitting orders to DLL for the purchase of inventory by 2317723 Alberta Limited (o/a Town and Country Motors) (“**Town and Country**”) that Town and Country confirmed to DLL they did not order from Oasis/282 (and Town and Country advised DLL that they had advised Oasis/282 that they did not want to order such inventory).

As a result of the defaults set out above, DLL no longer has any trust or confidence in the relationship with Oasis, Rivers and 282, and hereby requests the consent of the Receiver and/or the Court to terminate the WPA with Oasis and 282. Pursuant to Section 8.3 of the WPA, the termination of the WPA shall not affect Oasis and/or 282’s obligations to DLL with respect to any Wholesale Financing Transactions (as such term is defined in the WPA) approved, funded or incurred prior to the date of termination of the WPA, nor shall it affect DLL’s ability to pursue any other remedies available to DLL under the WPA.

Yours sincerely

**Robert Shipcott**

Robert Shipcott  
Chief Legal Officer

# APPENDIX H

Oasis Global Inc.  
Cash flow Projections

For the Week Beginning:

Notes

	05-Oct	12-Oct	19-Oct	26-Oct	02-Nov	09-Nov	16-Nov	23-Nov	30-Nov	07-Dec	14-Dec	21-Dec	28-Dec	TOTAL	
<b>Cash-in</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Collection of Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Sales	1	709,870	-	-	-	593,575	-	-	-	-	634,399	-	-	1,937,843	
Other revenue	2	75,000	-	-	-	75,000	-	-	-	-	75,000	-	-	225,000	
Himmelfarb Prozansky DIP loan	3	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000	
STRIPE MSP	4	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	39,000	
Hoosier supplier settlement	5	54,400	-	-	-	-	-	-	-	-	-	-	-	54,400	
Other														-	
<b>Total Cash-in</b>		<b>3,000</b>	<b>842,270</b>	<b>3,000</b>	<b>503,000</b>	<b>3,000</b>	<b>671,575</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>712,399</b>	<b>3,000</b>	<b>3,000</b>	<b>2,756,243</b>
<b>Cash-out</b>															
Rent to Mill Valley		15,000				15,000					15,000			45,000	
Property tax					5,000				5,000				5,000	15,000	
COGS		60%	425,922	-	-	356,145	-	-	-	-	380,639	-	-	1,162,706	
Payment to Segway															
Payroll + CRA Source deductions		58,805		58,805		58,805		58,805			58,805		58,805	352,830	
HST remittance				50,000				50,000					50,000	150,000	
Professional fees				10,000				10,000					10,000	30,000	
Bank charges/interest				2,535				2,535				2,535		7,606	
Marketing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	65,000	
Subcontractors		34,681		39,427		34,681		39,427			34,681		39,427	222,324	
Fuel & Transportation Costs	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,000	
Utilities	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500	
Insurance	19,412	2,019	2,041	2,041	19,412	2,019	-	2,041	19,412	2,019	-	2,041	19,412	89,828	
Equipment lease/rental		8,140	3,787	6,693	-	8,140	3,787	6,693	-	8,140	3,787	6,693	-	55,858	
IT Support				17,663				17,663				17,663	-	52,989	
Payments re Prozansky DIP loan				75,000				50,000				50,000	-	175,000	
Supplier from Hoosier payment	5	54,400													
<b>Total Cash-out</b>		<b>27,912</b>	<b>607,466</b>	<b>12,287</b>	<b>270,664</b>	<b>32,912</b>	<b>483,289</b>	<b>12,287</b>	<b>245,664</b>	<b>32,912</b>	<b>18,658</b>	<b>501,412</b>	<b>87,432</b>	<b>191,144</b>	<b>2,469,641</b>
<b>Net Cash inflow (outflow)</b>		<b>(24,912)</b>	<b>234,804</b>	<b>(9,287)</b>	<b>232,336</b>	<b>(29,912)</b>	<b>188,286</b>	<b>(9,287)</b>	<b>(242,664)</b>	<b>(29,912)</b>	<b>(15,658)</b>	<b>210,987</b>	<b>(84,432)</b>	<b>(188,144)</b>	<b>286,603</b>
<b>Opening cash balance</b>		<b>9,000</b>	<b>(15,912)</b>	<b>218,891</b>	<b>209,605</b>	<b>441,941</b>	<b>412,028</b>	<b>600,314</b>	<b>591,027</b>	<b>348,363</b>	<b>318,451</b>	<b>302,793</b>	<b>513,780</b>	<b>429,347</b>	<b>9,000</b>
Net Cash (above)		(24,912)	234,804	(9,287)	232,336	(29,912)	188,286	(9,287)	(242,664)	(29,912)	(15,658)	210,987	(84,432)	(188,144)	232,203
<b>Closing cash</b>		<b>(15,912)</b>	<b>218,891</b>	<b>209,605</b>	<b>441,941</b>	<b>412,028</b>	<b>600,314</b>	<b>591,027</b>	<b>348,363</b>	<b>318,451</b>	<b>302,793</b>	<b>513,780</b>	<b>429,347</b>	<b>241,203</b>	<b>241,203</b>

Notes:

- Cash Sales amount are dependant on agreement(s) with DLL and/or AFC. Currently, it is unclear whether an agreement will be reached.
- Other cash sales outside of DLL and/or AFC. Mark to confirm whether this amount is per week or per month.
- Dip Loan/Receiver Certificate per discussion with Mark. The Receiver has not yet seen a term sheet.
- Per TD Bank account
- In and out



# APPENDIX I

October 26, 2023

To: Crowe Soberman Inc., in its capacity as Court-appointed Receiver of Oasis Global Inc. ("Oasis"), John Mark Rivers, and 2833713 Ontario Inc. ("283")

Attention: Hans Rizarri  
Crowe Soberman Inc.  
2 St. Clair Avenue East  
11<sup>th</sup> Floor  
Toronto Ontario  
M4T 2T5  
Canada

**Re: Distribution agreement between Segway Technology Co., Ltd. and 2833713 Ontario Inc.**

Dear Mr. Rizarri,

Further to our discussion of Friday October 13, 2023, we write this letter to express our concern with respect to the status and continued operations of Oasis and 283.

In particular, we understand that Crowe Soberman Inc., was appointed as interim non-possessory receiver of Oasis, John Mark Rivers, and 283 pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated May 31, 2023 (the "Interim Order"), and subsequently as Court-appointed receiver (in such capacity, the "Receiver") pursuant to an order of the Court dated August 31, 2023 (the "Appointment Order").

Notwithstanding the fact that the Interim Order has been in place for approximately five months, and the Appointment Order in place for approximately two months, there does not appear to be any resolution to address the impasse among the shareholders of Oasis and 283, or any progress towards marketing and selling the business of 283 and/or Oasis.

As you know, Segway Technology Co., Ltd. ("Segway") is a party to the following agreements with 283 (collectively, "Distribution Agreements"), which we enclose with this letter:

1. Segway Powersports Letter of Intent entered between Segway and 283 dated July 15, 2021 (the "Letter of Intent", see Enclosure 1), as supplemented by Distribution



- Contract -Addendum between Segway and 283 dated February 11, 2023 (“Distribution Contract -Addendum”, see Enclosure 2);
2. MOU between Segway and 283 dated February 10, 2023 (see Enclosure 3); and
  3. MOU between Segway and 283 (undated) (see Enclosure 4).

As you are aware, pursuant to the Distribution Agreements 283 is Segway’s exclusive distributor of product in Canada. While Segway recognizes that the Appointment Order contains a stay of proceedings that prevents it from terminating the Distribution Agreements without the consent of the Receiver, or leave of the Court, the continued impasse at 283 and Oasis is causing Segway material prejudice.

Prior to the Appointment Order, 283 was in material default under the terms of the Distribution Agreements (and continues to be as of this date), including, without limitation, pursuant the following events of default:

1. 283 has defaulted under Section 5.2 of Letter of Intent by failing to notify Segway of its applicable retail price for authorized product;
2. 283 has defaulted under Section 8.2 of Letter of Intent by failing to maintain sufficient stock of Segway’s spare parts. As a result, 283 appears to be failing to perform after-sales service to satisfy consumers’ requests for service of product;
3. 283 has defaulted under Section 10 of Letter of Intent by failure to submit required reporting to Segway;
4. 283 has defaulted by failing to achieve minimum purchase targets of 2000 units from February to June 2023; and
5. 283 and its sub-distributor, Oasis, have been placed into receivership.

In addition, 283 owes Segway approximately USD \$1.13 million for powersports units shipped pursuant to the Distribution Agreements. Segway expects that any future party to the Distribution Agreements that intends to continue to do business with Segway will pay in full all outstanding amounts owing to Segway under the Distribution Agreements.

At this point in time, Segway is considering all of its rights and remedies at law, including, without limitation, the possible termination of the Distribution Agreements. Segway hereby requests clarity about the future of Oasis, 283 and the conduct of the receivership generally. Segway is particularly interested in the following matters:

1. Ability of the Receiver to maintain normal operations during the receivership, including its ability to make payments to Segway for any future shipments of product, and to other suppliers and employees;
2. Ability of the Receiver to maintain its delivery and services to the dealers selling the powersports units to the buyers;
3. Ability of the Receiver to provide the dealers with support for recalls, repairs and warranties for the powersports units sold;



4. The cash flow status to maintain operations; and
5. The process for dealing with the current impasse among the Oasis and 283 stakeholders, including a potential marketing and sale of the business.

Segway reserves all of its rights and claims under the Distribution Agreements and at law. Nothing contained in this letter or in any discussions or meetings that may occur between Segway, the Receiver, 283 or Oasis shall be construed as a waiver of any such rights or remedies.

Please do not hesitate to contact us to discuss any of the above.

Sincerely,

Segway Technology Co., Ltd.



# APPENDIX J



Tax Centre  
North York ON M2N 6R9

September 29, 2023

ATTENTION:DANIEL POSNER  
CROWE SOBERMAN INC.  
LICENSED INSOLVENCY TRUSTEE  
2 ST. CLAIR AVENUE EAST, SUITE 1100  
TORONTO ON M4T 2T5

Dear Sir:

Subject: OASIS GLOBAL INC. sometime carrying on business as SEGWAY  
POWERSPORTS CANADA  
Account number: 83655 7439 RP0001

We were told that you have been appointed as receiver-manager for the above-named. There is a debt owed to the Canada Revenue Agency for source deductions amounting to \$233,187.93 for income tax and Canada Pension Plan (CPP) contributions, as well as employment insurance (EI) premiums.

Details of the debt are as follows:

Tax deductions:	\$114,191.53
CPP:	\$ 47,397.34
EI:	\$ 18,645.61
Penalties and interest:	\$ 52,953.45
Total:	\$233,187.93

Further to the Income Tax Act, the Canada Pension Plan, and the Employment Insurance Act, the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of OASIS GLOBAL INC. sometime carrying on business as SEGWAY POWERSPORTS CANADA in receivership.

Federal income tax:	\$ 79,447.44
Provincial income tax:	\$ 27,011.93
CPP employee part:	\$ 21,069.19
EI employee part:	\$ 7,434.89
Total:	\$134,963.45

.../2

Payment for the total amount of this trust, namely \$134,963.45, must be made to the Receiver General for Canada out of the realization of any property that is subject to these statutory trusts in priority to all other creditors.

Please let us know when payment of this trust amount and the remaining balance of \$98,224.48 will be made.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the Income Tax Act for periods before or after your appointment, you must withhold tax deductions and remit payments in accordance with that subsection and sections 101 and 108 of the Income Tax Regulations.

Also, see section 5 of the Employment Insurance Act and section 8 of the Canada Pension Plan Regulations.

For more information or clarification, please call me at 905-379-7164.

Yours truly,



Edward Devilles  
Collections Officer

# APPENDIX K





Tax Centre  
North York ON M2N 6R9

September 29, 2023

ATTENTION:DANIEL POSNER  
CROWE SOBERMAN INC.  
LICENSED INSOLVENCY TRUSTEE  
2 ST. CLAIR AVENUE EAST SUITE 1100  
TORONTO ON M4T 2T5

Dear Sir:

Subject: OASIS GLOBAL INC. sometime carrying on  
business as SEGWAY POWERSPORTS CANADA

We understand that you have been appointed receiver or  
receiver-manager (receiver) for the above GST/HST registrant.  
Currently, the registrant owes goods and services tax /  
harmonized sales tax (GST/HST) of \$2,219,914.66.

Period outstanding	GST/HST payable	Penalty & interest	Total
-----	-----	-----	-----
2017-12-31	\$ 9,687.56	\$ 19,319.66	\$ 29,007.22
2018-12-31	10,059.89	3,887.90	13,947.79
2019-12-31	82,061.61	22,242.01	104,303.62
2020-12-31	85,153.02	20,132.36	105,285.38
2021-12-31	907,458.88	107,440.90	1,014,899.78
2022-01-31	28,396.45	10,557.94	38,954.39
2022-02-28	141,137.98	18,273.93	159,411.91
2022-03-31	152,513.32	18,616.76	171,130.08
2022-07-31	80,228.62	8,357.74	88,586.36
2022-12-31	77,949.85	5,629.48	83,579.33
2023-01-31	77,949.85	4,913.08	82,862.93
2023-02-28	62,742.59	4,158.89	66,901.48
2023-03-31	62,742.59	3,503.11	66,245.70
2023-04-30	62,742.59	2,837.21	65,579.80
2023-05-31	62,742.59	2,193.61	64,936.20
2023-06-30	62,742.59	1,540.10	64,282.69
	-----	-----	-----
Total	\$1,966,309.98	\$253,604.48	\$2,219,914.66
	=====	=====	=====

.../2



Under the Excise Tax Act, \$1,496,697.33 of the above totals represents property of the Crown held in trust and does not form part of OASIS GLOBAL INC. sometime carrying on business as SEGWAY POWERSPORTS CANADA's property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$1,496,697.33 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$723,217.33.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 905-379-7164.

Yours truly,



Edward Devilles  
Collections Officer

# APPENDIX L

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**MORTGAGE INFORMATION STATEMENT**

**PROPERTY:** 101 Rolph Rd, Baltimore, ON K0K 1C0  
**BORROWER:** Mark Rivers  
**GUARANTOR:** N/A  
**MORTGAGE ADMINISTRATOR:** Pocrnic Realty Advisors Inc.  
**MATURITY DATE:** Power of Sale  
**DISCHARGE DATE:** Power of Sale

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**CHARGE SUMMARY****\$ - AMOUNT**

PRINCIPAL OUTSTANDING (AS AT OCT 18, 2023)	\$	697,120.00
INTEREST DUE UP TO AUGUST 30TH, 2023 ASSIGNMENT	\$	804,848.00
LESS PRINCIPAL PAID UP TO AUGUST 30TH, 2023 ASSIGNMENT	\$	(11,771.00)
PER DIEM INTEREST AT 12% SINCE AUGUST 30TH, 2023 ASSIGNMENT	\$	24,986.32
DISCHARGE FEE OF \$500.00 WITH HST	\$	565.00
STATEMENT FEE OF \$150.00 WITH HST	\$	169.50
<b>TOTAL</b>	<b>\$</b>	<b>1,515,917.82</b>
<b>PER DIEM INTEREST</b>	<b>\$</b>	<b>229.19</b>

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Executed By:

A handwritten signature in cursive script that reads 'Chris McCurley'.

Chris McCurley  
Director | Mortgage Services  
Pocrnic Realty Advisors Inc.