

**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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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, Chriscwe Holdings Inc. ("**Chriscwe**"). 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 Chriscwe, specifically the judgment obtained by Chriscwe, 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

‘A’

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

)

WEDNESDAY, THE 31<sup>ST</sup>

JUSTICE STEELE

)

DAY OF MAY, 2023

)

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

**ORDER APPOINTING RECEIVER**

**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 for an order appointing Crowe Soberman Inc. as receiver without security, of assets, undertakings and properties of Oasis Global Inc. ("Oasis"), John Mark Rivers, also known as Mark Rivers ("Rivers") and 2833713 Ontario Inc. ("283") was heard on May 15, 2023 by Zoom videoconference, 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 and April 5, 2023 and the exhibits thereto, the affidavits of Mark Rivers sworn November 8, 2022, December 8, 2022, January 27, 2023 and May 11, 2023 and the exhibits thereto, the factums of the Plaintiff, the Defendants and 283, the Transcripts of the cross-examinations of Mark 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 Mark dated January 24, 2023, the Endorsement and Orders of Justice Steele and on hearing the submissions of counsel for the Plaintiff, the Defendants and 283, and on reading the consent of Consent of Crowe Soberman Inc. to act as the Receiver,

#### **APPOINTMENT**

1. THIS COURT ORDERS that pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA"), Crowe Soberman Inc. (the "Receiver") is hereby appointed as interim non-possessory Receiver, without security, of all of the assets, undertakings and properties of Oasis and Rivers, (the "Property"), without prejudice to the Receiver's right to return to the court to seek an expansion of its powers if the Court is of the view that it is just and convenient to expand the breadth of the Receiver's powers and/or to expand the Receiver's powers to cover the assets, undertakings and property of 283.

## **RECEIVER'S POWERS**

2. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to do any of the following where the Receiver considers it necessary or desirable:

- (a) to monitor and evaluate the business, operations and Property of Oasis and Rivers, including but not limited to the business and operations of Oasis and/or Rivers carried on through 283;
- (b) 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;
- (c) 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;
- (d) 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;

- (e) 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 Oasis and Rivers, and without interference from any other Person.

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

3. THIS COURT ORDERS that (i) Oasis and Rivers, (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 and shall grant immediate and continued access to the Property to the Receiver.

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 Oasis and Rivers, 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 4 or in paragraph 5 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.

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

6. 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 INTERFERENCE WITH THE RECEIVER**

7. 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 Oasis and Rivers, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

8. THIS COURT ORDERS that all Persons having oral or written agreements with Oasis and Rivers 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 Oasis and Rivers are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, and that Oasis and Rivers shall be entitled to the continued use of Oasis and Rivers' 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 Oasis and Rivers in accordance with normal payment practices of Oasis and Rivers or such other

practices as may be agreed upon by the supplier or service provider and Oasis and Rivers, or as may be ordered by this Court.

## **EMPLOYEES**

9. THIS COURT ORDERS that all employees of Oasis and Rivers shall remain the employees of Oasis and Rivers. 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.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

10. 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**

11. 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**

12. 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.

13. 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.

14. 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**

15. 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 \$200,000.00 (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.

16. 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.

17. 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.

18. 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**

19. 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/>) 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>.

20. 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 Oasis and Rivers' creditors or other interested parties at their respective addresses as last shown on the records of Oasis and Rivers 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**

21. 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.

22. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as trustee in bankruptcy of Oasis and Rivers.

23. 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

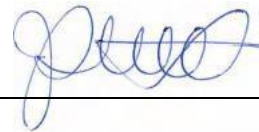
Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

24. 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.

25. THIS COURT ORDERS that the parties shall book a case conference before the end of July, 2023 to apprise the Court of the status of potential financing from The Toronto-Dominion Bank and, if such financing is not secured by the return date and the Court sees fit, to expand the Receiver's powers.

26. THIS COURT ORDERS that paragraph 25 is without prejudice to the Receiver, or any other party, seeking an earlier Court appointment if required.

27. 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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# APPENDIX

**‘B’**

**Oasis Global Inc.**  
**Non-Consolidated Financial Statements**  
*December 31, 2022*

# Oasis Global Inc.

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For the year ended December 31, 2022  
(Unaudited)

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**Oasis Global Inc.**  
**Non-Consolidated Balance Sheet**  
*As at December 31, 2022*  
*(Unaudited)*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash	72,757	63,113
Accounts receivable (Note 3)	2,900,463	2,971,938
Inventory (Note 4)	5,812,941	5,877,543
Prepaid expenses and deposits	215,224	70,350
	<b>9,001,385</b>	<b>8,982,944</b>
<b>Vehicles and equipment</b> (Note 5)	<b>498,620</b>	<b>362,214</b>
<b>Investment in subsidiaries</b> (Note 6)	<b>2,000</b>	<b>2,000</b>
	<b>9,502,005</b>	<b>9,347,158</b>
<b>Liabilities</b>		
<b>Current</b>		
Income taxes payable	359,587	-
Accounts payable and accrued liabilities (Note 7)	3,159,631	3,434,158
Deferred revenue (Note 8)	876,994	1,948,063
Due to shareholders	-	985,520
Current portion of long-term debt (Note 9)	112,893	48,902
	<b>4,509,105</b>	<b>6,416,643</b>
<b>Long-term debt</b> (Note 9)	<b>259,278</b>	<b>226,841</b>
<b>CEBA Loan</b> (Note 10)	<b>60,000</b>	<b>60,000</b>
<b>Due to director</b> (Note 11)	<b>1,716,113</b>	<b>1,236,225</b>
<b>Due to shareholder</b> (Note 12)	<b>2,000,000</b>	<b>2,000,000</b>
	<b>8,544,496</b>	<b>9,939,709</b>
<b>Shareholders' Equity (Deficit)</b>		
Share capital (Note 14)	100	100
<b>Retained earnings (deficit)</b>	<b>957,409</b>	<b>(592,651)</b>
	<b>957,509</b>	<b>(592,551)</b>
	<b>9,502,005</b>	<b>9,347,158</b>

Approved on behalf of the Board

\_\_\_\_\_  
 Director

The accompanying notes are an integral part of these non-consolidated financial statements.

**Oasis Global Inc.**  
**Non-Consolidated Statement of Earnings and Retained Earnings (Deficit)**

*For the year ended December 31, 2022  
(Unaudited)*

	2022	2021
<b>Revenue</b>		
Sales	18,957,825	14,348,437
Contract income	157,882	-
Freight income	405,878	267,879
Other income	967,679	85,282
	<b>20,489,264</b>	<b>14,701,598</b>
<b>Cost of sales</b>		
Purchases	9,855,083	7,847,843
Freight expense	3,353,442	1,083,831
Warranty expense	86,224	-
	<b>13,294,749</b>	<b>8,931,674</b>
<b>Gross profit</b>	<b>7,194,515</b>	<b>5,769,924</b>
<b>Expenses</b>		
Salaries and benefits	1,472,132	711,804
Advertising and promotion	927,156	450,252
Professional fees	880,963	304,238
Occupancy costs	412,656	156,365
Insurance	312,605	153,823
Computer support	250,380	163,474
Interest and bank charges	221,252	38,068
Repairs and maintenance	154,094	119,567
Royalties	117,212	-
Vehicle expenses	100,199	19,868
Office	79,855	74,347
Travel	46,322	20,624
Amortization	151,906	101,094
	<b>5,126,732</b>	<b>2,313,524</b>
<b>Operating profit</b>	<b>2,067,783</b>	<b>3,456,400</b>
<b>Other income (expense)</b>		
Foreign exchange gain (loss)	(110,185)	113,569
Loss on disposal of vehicle	(47,951)	(17,050)
	<b>(158,136)</b>	<b>96,519</b>
<b>Earnings before income tax</b>	<b>1,909,647</b>	<b>3,552,919</b>
<b>Provision for (recovery of) income taxes</b>		
Current	359,587	-
<b>Net earnings</b>	<b>1,550,060</b>	<b>3,552,919</b>
<b>Deficit, beginning of year</b>	<b>(592,651)</b>	<b>(4,145,570)</b>
<b>Retained earnings (deficit), end of year</b>	<b>957,409</b>	<b>(592,651)</b>

*The accompanying notes are an integral part of these non-consolidated financial statements.*

**Oasis Global Inc.**  
**Non-Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2022*  
*(Unaudited)*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Cash received from customers	19,489,670	12,935,921
Cash paid to suppliers	(17,485,137)	(11,517,406)
Cash paid to employees	(1,472,132)	(655,372)
Interest paid	(221,252)	(38,068)
	<b>311,149</b>	<b>725,075</b>
<b>Financing activities</b>		
Advances of long-term debt, net	96,428	275,743
Repayments of notes payable	-	(741,663)
Advances from CEBA loan	-	20,000
	<b>96,428</b>	<b>(445,920)</b>
<b>Investing activities</b>		
Purchase of vehicles and equipment	(392,881)	(395,179)
Proceeds on disposition	107,133	40,000
Investment in subsidiary	(2,000)	(2,000)
Repayment of lien on trade-in vehicle	-	(57,050)
	<b>(287,748)</b>	<b>(414,229)</b>
<b>Net effect of translation on foreign currency cash</b>	<b>(110,185)</b>	<b>113,569</b>
<b>Increase (decrease) in cash</b>	<b>9,644</b>	<b>(21,505)</b>
<b>Cash, beginning of year</b>	<b>63,113</b>	<b>84,618</b>
<b>Cash, end of year</b>	<b>72,757</b>	<b>63,113</b>

*The accompanying notes are an integral part of these non-consolidated financial statements.*

**1. Incorporation and operations**

Oasis Global Inc. (the "Company") was incorporated under the Province of Ontario on October 4, 2013. The Company distributes all ATVs and SUVs, and other off-roading vehicles across Canada. The registered office of the Company is 101 Rolph Road, Baltimore, Ontario.

**2. Significant accounting policies**

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Financial instruments***

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Company may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Company has made such an election during the year.

The Company subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net earnings. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Related party financial instruments**

The Company initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to note 12 and note 13).

At initial recognition, the Company may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Company has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

**2. Significant accounting policies** *(Continued from previous page)*

**Financial instruments** *(Continued from previous page)*

The Company subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in net earnings.

**Financial asset impairment**

The Company assesses impairment of all its financial assets measured at cost or amortized cost. The Company groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Company reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Company reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the balance sheet date.

Any impairment, which is not considered temporary, is included in current year net earnings.

The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net earnings in the year the reversal occurs.

**2. Significant accounting policies** *(Continued from previous page)*

***Inventory***

ATV and UTV inventory is valued at the lower of cost and net realizable value. Parts and accessories are valued at lower of cost and net realizable value, on a first-in, first-out basis. The cost of inventory is valued using specific identification method and net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

***Vehicles and equipment***

Vehicles and equipment are initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Vehicles	declining balance	30 %
Office equipment	double declining balance	20 %

***Impairment of long-lived assets***

Long-lived assets held for use are reviewed for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized on a long-lived asset held for use, when its carrying amount exceeds the total undiscounted cash flows expected from its use and disposition. The amount of the loss is determined by deducting the asset's fair value (based on discounted cash flows expected from its use and disposition) from its carrying amount.

***Revenue recognition***

The Company recognizes revenue from fixed price contracts on the completed contract basis, and accordingly revenue is recognized only when the contract is substantially completed.

The fixed price contracts include customers committing to a set number of vehicles and paying an upfront deposit. Revenue from sale of vehicles is recognized when the manufacturer provides a vehicle identification number for each order and confirmation of shipment, and collection is reasonably assured.

***Government assistance***

Government assistance is recognized where there is reasonable assurance that the assistance will be received and conditions will be complied with. Government assistance is recognized in other income over the periods in which the Company recognizes expenses which the assistance is intended to compensate.

***Income taxes***

The Company accounts for income taxes using the taxes payable method. Under this method, a provision is only made for taxes payable or recoverable in the current year. Income taxes payable/recoverable are measured using the income tax rates and laws established by taxation authorities and in effect at the balance sheet date.

***Measurement uncertainty (use of estimates)***

The preparation of non-consolidated financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the year.

Significant estimates and assumptions are used in determining the net realizable value of accounts receivable, the valuation of inventory and estimated useful lives and recoverability of equipment and vehicles.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the year in which they become known.

**Oasis Global Inc.**  
**Notes to the Non-Consolidated Financial Statements**  
*For the year ended December 31, 2022*

**2. Significant accounting policies** *(Continued from previous page)*

***Investment in subsidiaries***

The Company accounts for its investment in subsidiaries using the cost method. Accordingly, the investment in subsidiaries, entities over which the Company has the continuing power to determine its strategic operating, investing and financing policies without the co-operation of others, are recorded at acquisition cost, less any provisions for permanent impairment. Investment income is recognized when dividends/distributions become receivable.

On initial recognition, cost is measured at the acquisition-date fair value of the consideration transferred on the acquisition date and any consideration transferred before or after the acquisition date to the other party in exchange for the interest in the subsidiary. Consideration includes monetary and non-monetary consideration as well as any contingent consideration. When subsidiaries are acquired by an exchange of only equity interests, the acquisition-date fair value of the subsidiary's equity interests is used as the fair value of the consideration transferred, if those equity interests are more reliably measurable than the Company's equity interests.

Acquisition-related costs are recognized in net earnings as incurred with the exception of costs to issue debt and equity securities. Financing fees and transaction costs to issue debt are reflected in the acquisition-date fair value, and expenses relating to the issue of equity securities are shown separately in the statement of changes in equity.

All transactions with subsidiaries are disclosed as related party transactions.

**3. Accounts receivable**

Included in accounts receivable is receivables from floor plan financing of \$247,795.74 (2021 - \$125,165.53), bearing interest ranging between 7% to 8%, and repayable at the earlier of the sale of prime inventory or 450 days of the statement date. The outstanding principal balance as of December 31, 2022 is due in full by December 2023.

**4. Inventory**

	<b>2022</b>	<b>2021</b>
ATVs and UTVs	<b>3,275,826</b>	4,637,553
Parts and accessories	<b>1,795,313</b>	498,188
Future parts credit (note 8)	<b>741,802</b>	741,802
	<b>5,812,941</b>	5,877,543

The cost of inventories recognized as an expense and included in cost of sales amounted to \$9,855,083 (2021 – \$650,533).

**5. Vehicles and equipment**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	<b>2021 Net book value</b>
Vehicles	<b>734,223</b>	<b>261,670</b>	<b>472,553</b>	311,463
Office equipment	<b>36,204</b>	<b>10,137</b>	<b>26,067</b>	50,751
	<b>770,427</b>	<b>271,807</b>	<b>498,620</b>	362,214

**6. Investments in subsidiaries**

As at December 31, 2022, the Company holds 100 common shares of Roost Factory Limited and 100 common shares of Roost Factory Inc. (Delaware) representing 100% equity interest.

**Oasis Global Inc.**  
**Notes to the Non-Consolidated Financial Statements**  
*For the year ended December 31, 2022*

**7. Accounts payable and accrued liabilities**

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

**8. Deferred revenue**

	2022	2021
Deferred revenue	135,192	1,206,261
Deferred parts credit	741,802	741,802
	<b>876,994</b>	<b>1,948,063</b>

Deferred parts credit pertains to credits which are earned by Oasis through the purchase of ATVs and UTVs to be used toward the future purchase of parts (note 4). When the parts that are purchased by these credits are ultimately sold, the revenue is recognized at that time.

**9. Long-term debt**

	2022	2021
Chrysler Dodge vehicle loan repayable in monthly blend payments of \$1,401, bearing interest at 6.89% (2021 - 6.89%) per annum. Asset disposed of at end of 2022.	71,994	76,572
Chrysler Dodge vehicle loan repayable in monthly blend payments of \$1,558, bearing interest at 3.49% (2021 - 3.49%) per annum, secured by a vehicle having a net book value of \$55,456 (2021 - \$79,223).	97,880	114,444
Chrysler Dodge vehicle loan repayable in monthly blend payments of \$1,090, bearing interest at 4.39% (2020 - 4.39%) per annum, secured by a vehicle having a net book value of \$34,373 (2021 - \$49,105).	39,104	51,455
Ford vehicle loan repayable in monthly blend payments of \$950, bearing interest at 4.49% (2021 - 4.49%) per annum, secured by a vehicle having a net book value of \$17,999 (2021 - \$25,713).	23,281	33,272
RAM vehicle loan repayable in monthly blend payments of \$773, bearing interest at 4.99% per annum, secured by a vehicle having a net book value of \$86,162.	91,691	-
Forklift loan repayable in monthly payments of \$1,977, secured by the forklift having a net book value of \$50,516.	48,221	-
	<b>372,171</b>	<b>275,743</b>
Less: current portion of long-term debt	112,893	48,902
	<b>259,278</b>	<b>226,841</b>



**Oasis Global Inc.**  
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*For the year ended December 31, 2022*

**9. Long-term debt** (Continued from previous page)

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2023	112,893
2024	50,006
2025	52,446
2026	46,332
2027	41,295
Thereafter	36,762
	339,734

**10. Notes payable**

The Company received a \$60,000 interest-free loan through a Government of Canada pandemic response program (2021 - \$60,000). Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25%. After January 1, 2024, the loan will be transformed to a 2-year term loan with 5% annual interest rate. Only interest payments are required on a monthly basis with the outstanding principal due in full by December 31, 2025.

**11. Due to director**

Amounts due to a director are unsecured, non-interest bearing with no fixed terms of repayment. The director has informed the Company in writing that the corporate director will not demand repayment of the loan in the next fiscal year.

**12. Due to shareholder**

Amounts due to a corporate shareholder are unsecured, non-interest bearing with no fixed terms of repayment. Subsequent to year end, the majority shareholder of Oasis Global Inc. has pursued discussions with the minority shareholder and commenced negotiations to purchase the issued and outstanding shares held by the minority shareholder, as well as to assume the shareholder's loan balance due to this minority shareholder. As of the date of the financial statements, these negotiations are still ongoing. The outcome of these negotiations are not expected to have a material impact on the financial statements as a whole.

**13. Commitments**

The Company has entered into a lease agreement with Mill Valley Estates, a company controlled by a director of the Company with estimated minimum annual payments as follows:

2023	144,000
2024	48,000

**14. Share capital**

	2022	2021
Issued		
100 Common shares	100	100
	100	100

**15. Environmental risk**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**16. Financial instruments**

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit concentration***

Credit risk is the risk that a customer will fail to discharge its obligation to the Company, causing the Company to incur a financial loss. Account receivables primarily arise from sales of vehicles, and are due from customers. Credit risk is increased to the extent that the customer fails to settle contracts in transit and balances owing to the Company. In order to reduce credit risk, the company performs credit evaluations of prospective customers and regularly reviews outstanding balances. All contracts in transit and amounts due from customers comprises 100% (2021 - 100%) of accounts receivable. Bad debts have historically not been significant. As at December 31, 2022 the allowance for doubtful accounts was \$Nil (2021 - \$Nil).

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate based of changes in foreign exchange rates. The company enters into transactions with its operations located in the United States and Europe and utilized the U.S. dollar and euro currencies for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and due to related parties. Management is of the opinion that liquidity risk is low. The Company requires the continued financial support of the related companies in order to meet its cash flow requirements.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Group is exposed to interest rate cashflow risk with respect to its long-term debt (Note 9).

**17. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

# APPENDIX

‘C’

OG

**AR UNITS**

30-Jun-23

Inv #	Date	Dealer	Invoice Amt	Received	Outstanding
13360	27-Jun	Dave Sports	\$ 85,580.70		\$85,580.70
13328	19-Jun	Sturgeon Powersports RV & Marine	\$ 122,352.30		\$122,352.30
13297	12-Jun	Rockland Wheels	\$ 59,520.49		\$59,520.49
13193	31-May	Francis Ouimette	\$ 13,992.46		\$13,992.46
13219	31-May	Eskape	\$ 12,262.08		\$12,262.08
13191	31-May	Royalty RV & Marine	\$ 96,575.50		\$96,575.50
13031	27-Apr	Squamish Powersports, RV & Marine	\$ 83,348.16		\$83,348.16
			\$473,631.69	\$0.00	\$473,631.69

### AR Parts as of June 30th, 2023

Name	AR Balance
Athabasca Outdoor Products	(\$871.96)
Atlantic Trailer & Equipment Ltd (CI) & (MP)	(\$9.58)
Bill VTT	(\$1,618.64)
Blueriver Powersports	\$26,879.95
BDM	\$8,296.12
CG Open Road Outlet	\$0.00
CG Open Road Outlet, Winnipeg	\$0.00
Chiasson Equipement	\$0.00
Dave's Sports	(\$8,769.71)
Del Mastro motors LTD.	(\$1,278.39)
Eskape Granby	(\$6,433.92)
Hully Gully	(\$20,824.78)
L1FE Outdoors Inc	(\$7,065.16)
LD Powersports	(\$25,038.67)
Le Monde du Loisir	(\$387.45)
Moto Sport Du Cuivre	(\$1,759.76)
Occasion Ville de Sept-Iles (Noraction)	(\$4,674.41)
LJ Patterson Sales & Service (Napan)	\$0.00
Maniac Moto La Renaissance	\$0.00
Oakhill Commercial Rental (OCR)	(\$3,347.41)
Open Roads Auto Sales	(\$6,704.65)
Peak Xceleration	(\$6,300.00)
Performance Voyer	(\$22,010.89)
Powell Powersports	\$19,420.29
Pro-Tech Powersports	(\$15,682.22)
Rockland Wheels	(\$16,005.58)
Royalty RV Inc.	\$0.00
RPM	\$0.00
Sauble Beach Motorsports	(\$4,920.69)
Squamish Powersports	(\$2,166.92)
Sturgeon Powersports	(\$21,060.22)
Thunder City Power & Leisure	(\$8,844.04)
Town & Country	\$0.00
VR SHERBROOKE	\$0.00
VR Thetford	(\$7,599.10)
Wise Powersports	(\$17,159.60)
<b>TOTAL</b>	<b>(\$155,937.39)</b>

# APPENDIX

**‘D’**

## WHOLESALE PROGRAM AGREEMENT

This Wholesale Program Agreement is made as of the 24th 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 the payment thereof by the Vendor is prohibited under applicable law. DLL shall deduct the amount of the incentive from the Vendor invoice prior to advance, 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.

2.2.3 In the event that the inventory is sold prior to the consumption or expiry of the incentive DLL will provide a quarterly accounting of incentives paid and unearned etc

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. Expected payout is within 3 – 5 business days

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.

If to the Vendor:  
101 Rolph Road  
Baltimore, Ontario K0K 1C0  
Attention: Mark Rivers, CEO  
Fax: N/A  
Email: [mrivers@hoosier-offroad.com](mailto:mrivers@hoosier-offroad.com)

If to De Lage Landen Financial Services Canada Inc.:  
3450 Superior Court, Unit 1  
Oakville, Ontario L6L 0C4  
Attention: President  
Fax: 1.877.500.5356  
Email: [LegalNoticesCanada@leasedirect.com](mailto:LegalNoticesCanada@leasedirect.com)

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 		
	Authorized Signature <b>J Mark D Rivers President and CEO</b>		Authorized Signature
	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.

# **CONFIDENTIAL**

# **APPENDIX**

**‘E’**

# APPENDIX

**‘F’**

## NOTICE TO INCREASE RENT

(This notice increases your rental payments)

NOTICE TO: Oasis Global Inc., TENANT in possession and all others:

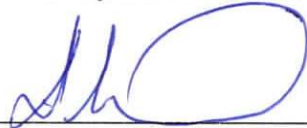
Address of Premises: 101 Rolph Road, Baltimore, Ontario, K0K 1C0

TAKE NOTICE THAT:

1. Pursuant to a written lease (the "Lease") dated April 29, 2018, you are a tenant for the premises described as: 101 Rolph Road, Baltimore, Ontario, K0K 1C0 of which you now hold possession. Your Lease is a yearly periodic tenancy that started on May 1, 2018 and continues from year to year.
2. In accordance with the terms of your Lease and the statutes and laws for the Province of Ontario and any applicable county or municipality in that jurisdiction, the Landlord or its agents hereby notify you of a change in the amount of your rent.
3. Your regular rent payment will increase from **\$12,000.00** to **\$15,000.00** per rental payment period. This increase amounts to \$3,000.00 per month. This increase in your rent will be effective as of April 1, 2023.
4. You are responsible for making all necessary changes to your payment arrangements to comply with this increase.
5. Payment is to be made to the following address: 101 Rolph Road, Baltimore, Ontario, K0K 1C0.

If you have any questions regarding this notice, please contact the Landlord or its agents.

Issued on: 24th day of March, 2023



\_\_\_\_\_  
Landlord's Name: Mill Valley Properties Inc.  
aka Mill Valley Estates

101 Rolph Road, Baltimore, ON, K0K 1C0  
Contact Address

# APPENDIX

‘G’

THIS AGREEMENT is made this \_\_30th\_\_ day of \_\_April\_\_, 2021

BETWEEN:

**2833713 ONTARIO INC.**  
a company incorporated pursuant to the laws of Ontario  
(Hereinafter referred to as the "Distributor")

-and-

**OASIS GLOBAL INC.,**  
a company incorporated pursuant to the laws of Ontario  
(Hereinafter referred to as the "Sales Agent")

**WHEREAS** the Distributor has been granted certain rights with respect to the distribution, sale, use of certain products, including but not limited to Segway Powersports recreational motor sport vehicles, parts, accessories and such other products that the Distributor may market, distribute or sell from time to time (collectively, the "Products"), and the use of certain trademarks and other intellectual property rights with respect to such Products;

**WHEREAS** the Sales Agent is a company engaged in the business of the sale and resale of recreational motor sport vehicles, marine vehicles, parts, and accessories (the "Business") in the Territory;

**AND WHEREAS** the Sales Agent desires to represent the Distributor and the Distributor desires that Sales Agent represent the Distributor and the Products for sale in the Territory subject to and upon the terms and conditions of this Agreement;

**NOW THEREFORE** this Agreement witnesses that in consideration of the mutual covenants, promises and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

#### 1. DEFINITIONS

(a) As used in this Agreement, the following words and phrases shall have the following meanings:

- (i) "Additional Fees" shall have the meaning ascribed thereto in Section 3(b);
- (ii) "Business" shall have the meaning ascribed thereto in the Recitals;
- (iii) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Ontario;
- (iv) "Change of Control Event" shall have the meaning ascribed thereto in Section 10(b)(vi);
- (v) "Confidential Information" means any and all confidential information concerning the Distributor's business, including but not limited to, information related to the Product, business opportunities, services and other products developed or being





developed, pricing information, financial information, research and development information, downloaded fuel consumption data, plans, systems, patents, trademarks, intellectual property, marketing strategies, sales and distribution information, inventions, discoveries and methods of production, trade secrets, suppliers, client information, profit margins, other sales agent information and any other information that the Distributor may regard as confidential;

- (vi) **"Fee"** shall have the meaning ascribed thereto in Section 3(a);
- (vii) **"Payment Date"** shall have the meaning ascribed thereto in Section 3(a);
- (viii) **"Products"** shall have the meaning ascribed thereto in the Recitals;
- (ix) **"Renewal Term"** shall have the meaning ascribed thereto in Section 2(a);
- (x) **"Repurchase Amount"** shall have the meaning ascribed thereto in Section 11(1)(iii);
- (xi) **"Term"** shall have the meaning ascribed thereto in Section 2(a);
- (xii) **"Term Fees"** shall have the meaning ascribed thereto in Section 3(b);
- (xiii) **"Territory"** shall mean the country of Canada.

## 2. GRANT AND TERM

- (a) Subject always to the terms and conditions set out in this Agreement, the Distributor hereby grants a non-exclusive license to the Sales Agent to sell, install and service the Products in the Territory commencing as of the date hereof and expiring on the one year anniversary of the Effective Date ("**Term**"). Unless terminated prior pursuant to this Agreement, this Agreement shall automatically renew for successive periods of one year (each successive period shall be referred to as a "**Renewal Term**").
- (b) The Sales Agent hereby acknowledges and agrees that this Agreement shall not in anyway restrict or impede the Distributor's right or ability to appoint other sales agents in the Territory;

## 3. SALES AGENT FEE

- (a) As consideration for the rights granted herein by the Distributor to the Sales Agent in respect of the Products, the Sales Agent shall pay to the Distributor an amount equal to 3% of quarterly gross sales of the Sales Agent in respect of the Products (the "**Fee**"), provided however that in no event shall the aggregate Fee payable by the Sales Agent to the Distributor be less than \$100,000.00 per Term or Renewal Term. All Fees shall be payable by the Sales Agent within thirty (30) days of the conclusion of each quarter ("**Payment Date**"), with the first quarter commencing as of the date of the execution of this Agreement. The Sales Agent shall also provide the Distributor copies of monthly sales reports within ten (10) days of each month end.
- (b) If, as of the completion of the final quarter of the Term or Renewal Term, the aggregate Fees paid by the Sales Agent to the Distributor (the "**Term Fees**") are less than

\$100,000.00, the Sales Agent agrees that it shall pay to the Distributor an amount equal to \$100,000.00 less the Term Fees (the "**Additional Fees**"). The parties further acknowledge and agree that any Additional Fees, if applicable, shall be payable within ten (10) days of the final quarter Payment Date for each applicable Term or Renewal Term. For illustrative purposes, should the Term Fees paid by the Sales Agent in a particular Term or Renewal Term be \$95,000.00, the Sales Agent shall pay an additional \$5,000.00 to the Distributor within ten (10) days of the final quarter Payment Date.

- (c) In the event that this Agreement is renewed pursuant to Section 2(a), the Sales Agent acknowledges and agrees that the Fees payable for such Renewal Term shall be in such amount as may be agreed to by the parties. If the Fees for such Renewal Term are not agreed upon at least sixty (60) days prior to the expiry date of the Term or any Renewal Term, if applicable, then the dispute shall be referred to arbitration by the parties in accordance with Section 14 pursuant to which the arbitrator shall determine the Fees (provided, however, that the Fees shall not be less than the Fees payable in the Term or any Renewal Term, if applicable); If the annual Fees have not been determined by the commencement of the applicable Renewal Term, the Sales Agent shall continue to pay the Fees at the amount payable at the expiry of the Term or Renewal Term, if applicable, until the Fees are determined. Within ten (10) days after the Fees for the Renewal Term are determined, the Sales Agent shall pay to the Distributor any amount retroactively owing from the commencement of the Renewal Term.

#### 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SALES AGENT

The Sales Agent represents, warrants as of the date hereof and acknowledges that the Distributor is relying thereon:

- (a) **Capacity.** The Sales Agent is duly incorporated under the laws of the Province of Ontario or Canada, with full corporate power and authority to conduct its business as it is now conducted.
- (b) **Execution.** This Agreement has been duly executed and delivered by the Sales Agent and constitutes a valid and binding agreement of the Sales Agent, enforceable against the Sales Agent in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.
- (c) **Authorization.** The execution and delivery of this Agreement and the grant of rights in connection with the distribution, sale, use, promotion and marketing of the Products provided for in this Agreement has been duly authorized by all necessary corporate action of the Sales Agent.
- (d) **No Conflict.** Neither the execution nor delivery of this Agreement nor the fulfillment or compliance with any of the terms contained in this Agreement will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute default under any agreement or instrument to which the Sales Agent may be subject, including but

not limited to any contract, agreement, obligation or covenant of non-competition with respect to any person or entity.

The foregoing representations and warranties will shall survive the termination of this Agreement and will continue thereafter in full force and effect for the benefit of the Distributor.

## 5. PROPERTY RIGHTS

- (a) Nothing in this Agreement shall be deemed in any way to constitute any transfer or assignment by the Distributor to the Sales Agent of the patents or any intellectual property of or for the Products or trademarks owned, used by or granted to the Distributor. The Sales Agent acknowledges and agrees that the Products and any other patents, patents applications, trade marks, industrial designs, products, copyrights, and any other industrial or intellectual property, including any moral rights attaching thereto, are and shall remain the exclusive property of the Distributor and the Sales Agent acknowledges it has no right, title or interest thereto;
- (b) The Sales Agent shall not solely or jointly with any other person or entity, make any copyright, patent or industrial designs, applications and registrations or any other form of protection for copyright or any other intellectual property in connection with the Products or any Developments or any product similar thereto; and
- (c) All materials relating to the business and the affairs of the Distributor, including, without limitation, the Confidential Information, all products, services, software, hardware, manuals, documents, tapes, disks, reports, equipment, working materials and lists of clients, employees, other sales agents, and suppliers which relate to the Distributor, or to the business or products or services of the Distributor are for the benefit of the Distributor, and are and will remain the property of the Distributor. Upon the termination of this Agreement for any reason (including, but not limited to, termination without cause), or upon the expiration of this Agreement, the Sales Agent shall return to the Distributor all such materials and copies thereof, and shall not retain any copies of same.

## 6. CONFIDENTIAL INFORMATION

- (a) The Sales Agent acknowledges that prior to entering into this Agreement, and during the Term, it will inevitably acquire substantial knowledge, experience and expertise in all aspects of the Distributor's business and the Products including trade secrets, and that the Sales Agent will be relying on such knowledge, experience and expertise in its operation of the Business.
- (b) The Sales Agent further acknowledges and agrees that as a result of the nature of its relationship with the Distributor, the Sales Agent has and will have access to, and will be entrusted with Confidential Information. The Sales Agent hereby acknowledges that the disclosure of the Confidential Information to any third party would be detrimental to and cause irreparable harm to the Distributor's interests, and that, therefore, the Distributor shall be entitled to seek injunctive or other equitable relief to protect its interests.



- (c) The Sales Agent covenants and agrees with the Distributor that it will hold the Confidential Information in the strictest of confidence, and that it will only use the Confidential Information for the purpose of fulfilling any obligations that the Sales Agent may have under this Agreement. The Sales Agent further covenants and agrees with the Distributor that it will not, during the Term or at any time thereafter, disclose any Confidential Information to any third party other than to the Distributor or to employees, or advisors of the Sales Agent who have a need to know such Confidential Information, and the Sales Agent shall not, following the termination of the Agreement for any reason (including, but not limited to, termination without cause), or following the expiration of this Agreement, use any Confidential Information for any purpose whatsoever. Under no circumstances shall the Sales Agent remove any books, records or documents or copies thereof that are Confidential Information or related to the Confidential Information regarding the Product from the Certified Installation Centre or otherwise, nor shall the Sales Agent make any copies of Confidential Information for the use by any party, except as may be specifically authorized by the Distributor in writing.
- (d) The Sales Agent also acknowledges the Distributor's right to maintain such Confidential Information in confidence and such right constitutes a proprietary right that the Distributor is entitled to protect.
- (e) The Sales Agent further covenants and agrees with the Distributor that it will not, during the Term or at any time thereafter, directly or indirectly:
- (i) attempt to decompile or reverse engineer or disassemble the Products or any part thereof, or any other product that the Distributor sells or distributes; or
  - (ii) commence development, design, construction or manufacture of any product which would contravene the Distributor's patents or patents applications or intellectual property or be competitive to or with the Products.
- (f) The obligations of the Sales Agent under this Section 6, shall survive indefinitely the termination of this Agreement however caused.

## 7. COVENANTS REASONABLE

The covenants contained in Sections 5 and 6 of this Agreement are given by the Sales Agent acknowledging that it has, or will obtain and have, specific knowledge of the affairs of the Distributor, the business, Products and services of the Distributors, and a close working relationship with the employees and other sales agents or distributors of the Distributor, all of which would injure the Distributor if made available to a competitor or if used for competitive purposes or if made public. The Sales Agent hereby acknowledges and agrees that all restrictions contained in this Agreement are reasonable, valid, binding, and necessary under the circumstances in order to protect the economic interests of the Distributor. Without the covenants set forth in Sections 5 and 6 of this Agreement, the Distributor would not have agreed to enter into the Agreement and, accordingly, all defenses to the strict enforcement thereof by the Distributor are hereby waived by the Sales Agent to the fullest extent permitted by law.



**8. REMEDIES ON BREACH OF COVENANT**

- (1) The Sales Agent agrees that any breach by the Sales Agent of the covenants contained in Sections 5 and 6 of this Agreement shall:
- (i) be considered immediate grounds for termination of the Agreement;
  - (ii) make the Sales Agent liable to the Distributor for all damages or losses caused to the Distributor as a result of any such breach, including, but not limited to loss of profits and other economic losses and costs and interest (including legal costs on a solicitor and client basis); and
  - (iii) entitle the Distributor to restrain any ongoing breaches of these obligations by way of an interim and permanent injunction obtained at the Sales Agent's expense.
- (2) Without limiting the remedies available to the Distributor, the Sales Agent acknowledges that damages at law will be an insufficient remedy to the Distributor in view of the irreparable harm which will be suffered by the Distributor, if the Sales Agent violates Sections 5 and 6 of this Agreement, and it agrees that the Distributor may apply for and have interim and permanent injunctive or other equitable relief in any court of competent jurisdiction specifically to enforce any of such provisions upon the breach or threatened breach thereof, or otherwise specifically to enforce any of such provisions. The Sales Agent hereby waives all defenses to the strict enforcement thereof by the Distributor to the fullest extent permitted by law and the Sales Agent waives the requirement of the Distributor to post security for damages for such injunction or other equitable relief sought.

**9. INSURANCE REQUIREMENTS**

- (a) The Sales Agent agrees that, during the Term and for a period of not less than twenty-four (24) months following the termination of this Agreement, it will carry or be subject to coverage under (as a named insured) product liability insurance (including blanket contractual liability), general third party insurance, commercial general insurance, in an amount of not less than \$3,000,000.00 CAD combined single limit, which insurance will be written on an occurrence policy form with an insurance carrier reasonably acceptable to the Distributor. The Sales Agent shall, at the request of the Distributor, provide evidence of the Sales Agent's compliance with its insurance obligations under this Section and evidence of renewals of any such policy, from time to time. The Sales Agent further acknowledges and agrees that any such insurance policy or renewals thereof required under this Section shall, at the option of the Distributor, include the Distributor as an additional named insured.
- (b) Policies for such insurance shall also (i) require a minimum of thirty (30) days written notice to the Distributor of termination, non-renewal or material alteration during the policy term, (ii) waive any right of subrogation against Distributor, (iii) contain a provision that the Sales Agent's insurance is primary, (iv) will not call into contribution any other insurance available to Distributor, and (v) contain a severability of interest clause and a cross-liability clause.



**10. EARLY TERMINATION**

- (a) Upon the Distributor providing ninety (90) days written notice to the Sales Agent, at any time, the Distributor may terminate this Agreement before expiration of the Term without any further liability or obligation to the Sales Agent.
- (b) The Distributor shall have the right to terminate this Agreement upon seven (7) days written notice to the Sales Agent in the event that any one or more of the following events shall become applicable to the Sales Agent:
- (i) an order is made or a resolution or other action of the Sales Agent is taken for the dissolution, liquidation, winding up or other termination of its corporate existence;
  - (ii) the Sales Agent commits a voluntary act of bankruptcy, becomes insolvent, makes an assignment for the benefit of its creditors or proposes to its creditors a reorganization, arrangement, composition or readjustment of its debts or obligations or otherwise proposes to take advantage of or shelter under any statute in force in Canada;
  - (iii) if any proceeding is commenced with respect to a compromise or arrangement, or to have the Sales Agent declared bankrupt or to have a receiver appointed in respect of the Sales Agent or a substantial portion of its property and such proceeding is not fully stayed or dismissed within thirty (30) days after such commencement;
  - (iv) a receiver or a receiver and manager of any of the assets of the Sales Agent is appointed and such receiver or receiver and manager is not removed within thirty (30) days of such appointment;
  - (v) the Sales Agent ceases or takes steps to cease to carry on its business; or
  - (vi) upon the occurrence of any one or more of the following events (each of which a "Change of Control Event"):
    - (1) if the shares in the Sales Agent are transferred to, or come under the control of any person or entity which results in a change to the current shareholdings as of the date hereof;
    - (2) if the shares of the Sales Agent are transferred, pledged or encumbered in such a manner which results or may result, directly or indirectly, in a change of composition of the current shareholders and their respective shareholdings as of the date hereof;
    - (3) if new shares, options, securities or contingent rights are issued to any person or entity which would result or may result in a change of ownership, change of composition of the shareholders or their shareholdings, a change of control or future change of control of the Sales Agent; or
    - (4) any change in the current composition of the board of directors, officers or other management of the Sales Agent as of the date hereof;



and the prior written consent of the Distributor was not obtained prior to any such Change of Control Event, which consent may be arbitrarily withheld.

(vii) If within a period of five (5) days after notice of default has been given to the Sales Agent, the Sales Agent fails or neglects to perform any of the other obligations under this Agreement or any other agreement or undertaking entered into between the Distributor and the Sales Agent;

(viii) If the Sales Agent fails or neglects to perform any obligation under this Agreement or any other agreement or undertaking entered into by the Distributor and the Sales Agent on three (3) occasions during any consecutive twelve (12) month period, whether or not such defaults are remedied or pertain to the same matter;

Unless otherwise specified herein, any termination referred to in this Section shall be effective immediately or on the expiry of the notice period contemplated by certain subparagraphs. Upon termination of this Agreement, the Sales Agent shall further execute such documents and take such action as the Distributor may, in its sole discretion, deem necessary or advisable to evidence the fact that the Sales Agent has no further interest or right pursuant to this Agreement therein.

#### 11. OBLIGATIONS FOLLOWING TERMINATION

- (1) Upon the termination of this Agreement for any reason whatsoever, the following shall apply:
  - (i) The Sales Agent shall return to the Distributor any and all Confidential Information, and other Distributor property including all advertising, informational and technical material given to the Sales Agent by Distributor or its designee or agents;
  - (ii) The Sales Agent shall immediately and permanently cease all sales, use, marketing, promotion and servicing of the Products, shall immediately and permanently cease to deal in any way with the Products, and shall thereafter refrain from holding itself out as a sales agent of the Distributor;
  - (iii) Within forty-eight (48) hours of the termination of this Agreement, the Sales Agent shall return to the Distributor at its sole cost all Products in its possession in operational condition and the Distributor, at its option, shall repurchase or assume such Products at landed cost (the "**Repurchase Amount**"). The Distributor shall satisfy the Redemption Amount by the issuance of a non-interest bearing promissory note pursuant to which the Distributor shall remit payment to the Sales Agent in respect of a particular Product within fifteen (15) days from the date such Product or Products are sold by the Distributor to a third party. At the option of the Distributor, the Distributor may arrange for the pick-up of such Products by the Distributor from the Sales Agent and the Sales Agent shall take all actions as may be necessary to facilitate the return of such Products;
- (2) Despite any early termination of this Agreement by the Distributor pursuant to Section 10, the Sales Agent shall remain liable to the Distributor for all damages the Distributor



may suffer by reason of the early termination of this Agreement or by reason of any breach by the Sales Agent of its obligations or default under this Agreement.

## 12. NO DAMAGES UPON TERMINATION

The Distributor shall not, by reason of the termination of this Agreement for whatever reason, be liable to the Sales Agent for any compensation, reimbursement or damages, claims, losses (direct or indirect) on account of the loss of profits or anticipated sales, revenues from servicing, or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of the Sales Agent or otherwise. The Sales Agent shall hereby release and forever discharge the Distributor from any claims, demands, costs, profits, losses, contracts and revenues arising from the termination of this Agreement for any reason whatsoever.

## 13. INDEPENDENT CONTRACTOR

This Agreement does not and shall not be construed to create any association, partnership, joint venture, agency or employment agreement whatsoever as between the parties. The Sales Agent shall not, by reason of any provision herein contained, be deemed to be a partner, employee, joint venturer, agent or legal representative of the Distributor, or have the ability, right or authority to assume or create, in writing or otherwise, any obligation of any kind, express or implied, in the name of or on the behalf of the Distributor. The Sales Agent shall be an independent contractor for purposes of this Agreement.

## 14. GENERAL CONTRACT PROVISIONS

- (a) **Further Assurances.** Each of the parties hereby agrees to do all such acts and things and execute all such further documents as may be necessary or as counsel may advise to carry out the terms of this Agreement.
- (b) **Compliance with Laws.** Comply with all laws and regulations, and with all legislation regarding warranties as apply within the Territory. The Sales Agent shall obtain and maintain all approvals, licenses, permissions, and permits necessary to the performance of this Agreement and its business and conduct its business in a manner so as not to bring discredit upon the reputation of the Distributor or the Products. The Sales Agent shall keep the Distributor informed of any laws or regulations applicable within the Territory, which may affect the promotion, sale, service, or maintenance of the products, and take all necessary measures to comply therewith immediately.
- (c) **Entire Agreement.** This Agreement, and other documents contemplated herein are incorporated by reference, and constitute the entire agreement between the parties with respect to all matters herein contained. The execution of this Agreement has not been induced by, nor do any of the parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof. This Agreement shall not be amended, altered or qualified except by an instrument in writing, signed by all parties hereto, and any amendments, alterations or qualifications hereof shall not be binding upon or affect the rights of any party who has not given its prior consent in writing.





- (d) Headings, Interpretation etc.** The division of this Agreement into articles and/or sections with headings is for the convenience of reference only, and the headings shall not affect the interpretation or construction of this Agreement. This Agreement shall be read with such changes in number and gender as the context or the reference to the parties may require. In particular, words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders. In addition, if the Sales Agent is an individual, this Agreement shall be read with such changes in the Sales Agent's status as the context or the reference to the Sales Agent requires or if two or more parties are identified as the Sales Agent hereunder, the obligations of such parties shall be joint and several.
- (e) Severability.** In the event that any of the covenants herein contained shall be held unenforceable or declared invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions of this Agreement and such unenforceable or invalid portion shall be severed from the remainder of this Agreement.
- (f) Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and a court of competent jurisdiction in Toronto, Ontario shall have exclusive jurisdiction to adjudicate any matter or dispute arising out of this Agreement.
- (g) Independent Advice.** The Sales Agent has conducted an independent investigation of, and has been advised by advisors, including but not limited to legal and accounting advisors of the Sales Agent's own choosing concerning, all pertinent aspects of the business venture and relationship with Distributor contemplated in this Agreement. The Sales Agent acknowledges that it has had ample opportunity to consult its independent advisors prior to the execution of this Agreement.
- (h) Notice.** Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery, by courier or by transmittal by fax or e-mail addressed as follows:

(i) if to the Distributor, to:

2833713 Ontario Inc.  
101 Rolph Road  
Baltimore, Ontario  
K0K 1C0

Facsimile: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Email: \_\_\_\_\_

(ii) if to the Sales Agent to:

OASIS GLOBAL INC.  
101 Rolph Road  
Baltimore, Ontario  
K0K 1C0

Facsimile:

Attention:

Email:

JMD Rivers  
mrivers@hoosieroffroad.com

or to such other address, fax number, e-mail address or individual as may be designated by notice by any Party to the others. Any demand, notice or other communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by courier, on the fourth (4th) Business Day following the deposit thereof with the courier and, if made or given by fax or e-mail, on the day of transmittal thereof or if the day of transmittal is not a Business Day, the next Business Day following the date of transmittal thereof (provided the original copy is immediately forwarded by courier).

- (i) **Time.** Time shall be of the essence in this Agreement.
- (j) **Assignment.** The Distributor may assign this Agreement on notice to the Sales Agent, without the consent of the Sales Agent. The Sales Agent may not assign this Agreement or any obligations thereunder without the prior express written consent of the Distributor, which consent may be unreasonably or arbitrarily withheld by the Distributor. This Agreement shall enure to the benefit of and be binding upon the parties hereto and to their respective successors and permitted assigns.
- (k) **No Waiver.** No waiver by any party of any breach by any other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of the same or any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.
- (l) **Cumulative Rights.** The rights of the parties hereunder are intended to be cumulative and not alternative and no exercise of enforcement by either party of any right or remedy under this Agreement shall preclude the exercise or enforcement of any other right or remedy under this Agreement or which the parties are otherwise entitled by law to enforce.
- (m) **Language.** The parties have expressly required that this Agreement and all documents and notices hereto be drafted in English. *Les parties ont expressément exigé que le présent Contrat et tous les documents et avis y afférents soient rédigés en anglais.*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

**2833713 ONTARIO INC.**

per:   
Name: Linda Rivers  
Title: Shareholder

**OASIS GLOBAL INC.**

per:   
Name: Mark Rivers  
Title: CEO

# APPENDIX

‘H’

**2833713 Ontario Inc. ("Party B") – Segway Powersports ("Party A")**

**Distribution Contract – Addendum**

**This is draft of addendum. Both Parties lawyers need to check the languages and clauses. But, both Parties agree to bound these terms and conditions.**

**Intent of Contract**

**合同意向**

Both parties agree that it is the intent of this contract to define, as much as possible, a professional business relationship between the companies in order to ensure the continuing growth of the Segway product, brand and good reputation in Canada. Party A has the responsibility to provide saleable products to Party B on a timely basis and to support Party B with warranty claims and parts. Party B has the responsibility to develop the marketplace, and to ensure that the Segway brand and product are distributed and supported in Canada.

双方同意，本合同的目的是尽可能地定义公司之间的业务关系，以确保 Segway 的产品、品牌和良好的声誉在加拿大能持续成长。Segway 有责任及时向 Oasis 提供可销售的产品，并支持 Oasis 的保修索赔和零件供应。Oasis 有责任开发当地市场，并确保 Segway 品牌和产品在加拿大的销售和支持。

The following are proposed business terms for the Distribution Contract to be included and/or added into the terms already provided in the LOI. Where possible, the LOI clause is referenced.

以下是拟定将被纳入和/或添加到之前意向书中已经存在的条款。在可能的情况下，我们列出之前意向书的相关条款章节。

**1. Exclusive Distribution Territory [LOI – s. 3.1]**

**独家分销区域 [LOI – s. 3.1]**

a. Canada

**2. Term**

**期限**

a. Five year term commencing July 15, 2021- Oct 30, 2026

从 2022 年 7 月 15 日开始，为期五年。

**3. Renewal and Termination**

**续约和终止**

a. Contract shall automatically renew for additional periods of 5 years unless either Party provides written notification

b. Party A must provide one year written notice if it intends to terminate the contract. If Party A is unable to provide the full 1 year of notice, they will compensate Party B for the loss of the gross profit for the pro rated number of months to equal the 1 year notice period.

如果甲方打算终止合同，必须提前 1 年提供书面通知。如果甲方不能提供完整的 1 年通知期，他们将赔偿乙方按比例计算的月数的毛利损失，以相当于 1 年的通知期。

c. Party B must provide 1 year written notice if it intends to terminate the contract. If Party B is unable to provide the full 1 year of notice, they will compensate Party A for the loss of the gross profit for the pro rated number of months to equal the months notice period.



陈如

如果乙方打算终止合同，必须提前 1 年提供书面通知。

- d. Part A and Party B will reach an agreement for the MOQ purchase sales in the next year.

#### 4. Prevailing Language and Jurisdiction

合同适用语言

- a. English is prevailing language
- b. Jurisdiction shall be Hong Kong b. 司法管辖区为香港  
英语应该是主要语言

#### 5. Payment Terms [LOI – s. 6.2.1]

- a. 10% deposit paid by Party B after Party A has provided confirmation of the production completion date and provided confirmation that shipping dates are booked within 45 days ("shipping date") of the payment of this first deposit ("confirmation deposit"). Party A shall ensure that the product is produced, passed quality control, packed and delivered to port in order to achieve the booked shipping date. 甲方应确保产品的生产，通过质量控制，包装并交付给港口，以实现预定的运输日期。
- b. 20% 20% deposit paid within 3 days after Party A has provided Party B with the VINs and confirmed that the product has packed ("shipment deposit")  
在甲方向乙方提供 VIN 码并确认货物已进港等待运输后的 3 天内支付 20%的定金（"装运定金"）。确认船期后 3 天内支付 20%的预付款。
- c. Balance of payment due within 45 days after release from Party B's port of receipt c. 所有可销售的车辆的余款在乙方收货港放行后 45 天内付清
- d. If products are not ready for shipment within 45 days upon the payment of 10% down payment, Party B is entitled to deduct 2% of the total order amount from the balance payment for every 15 days of delay. This clause shall not apply in the case of a force majeure that can reasonably be considered beyond Party A's control.  
如果发货日期超过确认的发货日期 15 天，每延迟 15 天，乙方有权从余款中扣除订单总金额的 1.5%。本条款不适用于可合理认为超出甲方控制的不可抗力的情况。
- e. Large volume is subject to discussion with Party A. Party B shall offer Party A N+3 month sales forecast minimum. N+1 purchase forecast is 90% for sure and N+2 purchase forecast is 80% for sure. N+3 is subject to change. This clause shall not apply in the case of a force majeure that can reasonably be considered beyond Party B's control.
- f. Large volume is equal to any order 300 units or more.
- e. It is understood that timely delivery and availability of product in the market is a prime priority as it affects the demand and retail sales if product is not readily available at peak selling periods. The peak selling season for Party B is March through June and mid-August through to mid-November. Product deliveries that are delayed into the offseason may result in lost sales and cash flow for both parties.



甲方了解，及时交付和提供产品是首要任务，因为如果在销售高峰期不能及时提供产品，将会影响需求和零售。乙方的销售旺季是3月至6月和8月中旬至11月中旬。产品的交付如果延迟到淡季，可能会导致双方的销售和现金流损失。

#### 6. Quality standards and performance and reporting

##### 质量标准和绩效以及报告

- a. Party B shall be permitted onsite quality inspection in Party A's manufacturing facility by an employee of Party B ("QC employee") at the cost of Party B.  
甲方应允许乙方的一名雇员（"质量控制员"）在甲方的制造厂进行现场质量检查
- b. Party A, Party B and the third Party quality control will implement a joint quality improvement committee.
- c. The QC employee shall inspect and approve all product and parts that are to be shipped to Party B after they are produced and before they are packed for shipping.
- d. Party A will provide dates and times of Party B's product production runs in order to allow the quality control employee to attend
- e. Party A shall ensure that all vehicles and parts that are shipped to Party B will be in sellable condition for the Canadian marketplace and will have correct and consistent SKU identification. If non-sellable products are received by Party B, they will immediately notify Party A. Party A shall immediately replace the non-sellable products at Party A's cost or provide fair compensation that is mutually agreed to by both parties. If the problem is caused by Party A, Party A will not bear any responsibility. Party A will not bear freight cost.  
e. 甲方应确保运往乙方的所有车辆和零部件在加拿大市场上处于可销售状态，并具有正确和一致的SKU标识。如果乙方收到不可销售的产品，他们将立即通知甲方。甲方应立即更换不可销售的产品，费用由甲方承担或提供双方同意的公平补偿。
- f. Party A shall make every reasonable effort to provide a 90%+ fill rate to Party B of sellable products.  
e. 甲方应确保运往乙方的所有车辆和零部件在加拿大市场上处于可销售状态，并具有正确和一致的SKU标识。如果乙方收到不可销售的产品，他们将立即通知甲方，甲方应立即更换不可销售的产品，费用由甲方承担或提供双方同意的公平补偿。  
f. 甲方应尽一切合理努力向乙方提供90%以上的可销售产品率。

#### 7. Inventory and services [LOI s.8]

##### 库存和服务[LOI s.8]

- a. Party B shall utilize the DMS system to submit warranty and quality claims for individual incidents. Widespread batch and/or recall claims can be submitted using an Excel spreadsheet. When DMS Phase II is available batch claims will be submitted through DMS.
- b. Party A and Party B will discuss case by case for bulk recall thru MOU.
- c. 乙方应利用DMS系统提交个别事故的保修和质量索赔。大范围的批次和/或召回索赔可以使用Excel电子表格提交。当DMS第二阶段可用时，批量索赔将通过DMS提交。
- c. Party B is obliged to implement the recall requested by Party A in its market.

#### 8. Price terms and Pricing [LOI s.4]

##### 价格条款和定价[LOI s.4]



陈少

- a. Party A shall provide pricing on parts and accessories that is competitive in the Territory. If Party A is unable to provide such competitive pricing, Party B shall not be bound to use Party A parts or accessories. However, Party B still needs to buy 6% at least spare parts and accessories of total annual vehicle purchase amount. Party A will try best to offer you competitive price, acceptable fill rate and quality. Party A will not bear the responsibility for those spare parts Party B bought from other suppliers.

甲方应提供在当地具有竞争力的零件和配件的价格。如果甲方不能提供这种具有竞争力的价格，乙方没有义务使用甲方的零件或配件。

- b. Party A shall provide at least 2 months notice of any price increases to provide Party B and its dealers sufficient time to place orders ahead of the increase.

甲方应提供至少 2 个月的提价通知，以便为乙方及其经销商提供足够的时间，在提价前下订单。

#### 9. Information sharing [LOI s.9]

##### 信息共享[LOI s.9]

- a. Party B is permitted to develop diagnostic materials (such as 3D diagrams) to assist its employees and dealers maintain and service the Segway products. Any materials that are developed by Party B shall remain the property of Party B.

a. 甲方应提供一份不披露协议 ("NDA")，供乙方的任何需要接触某些专有信息的合作伙伴签署，以支持该地区的机器培训和服务。

b. 甲方提供的任何材料的所有权应归甲方所有。

c. 允许乙方开发诊断材料（如 3D 图）以协助其员工和经销商维护和服务赛格威产品。任何由乙方开发的材料都属于乙方的财产。

#### 10. Sales and marketing

##### 销售和营销

- a. Party B shall share its marketing strategy, campaign or activity, etc with Party A in December for the coming year.
- b. Party A will discuss with Party B about the marketing schedule and will discuss the support case by case.
- c. Party B shall be required to submit the supporting invoices, links to social media, photos, etc. associated with the marketing initiatives.

甲方将为经批准的营销活动提供最高达 100% 的费用。乙方应事先向甲方提供乙方要求支持的任何营销举措的说明和费用。经甲方批准后，乙方应提交与营销活动相关的发票、社交媒体链接、照片等证明材料。

#### 11. Reporting [LOI s. 10]

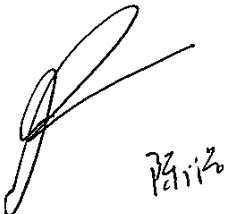
##### 报告 [LOI s. 10]

- a. On an annual basis Party A shall provide information on all new models and changes to continuing models.

a. 甲方应每年提供关于所有新产品和旧产品更新的信息。

- b. Party A shall provide its production plans on a regular basis based on Party B order.

b. 甲方应定期提供其生产计划。



陈磊



- c. On a monthly basis Party B shall provide to Party A their projected sales based on dealer orders for the upcoming 3 months This report shall be in the format agreed to by both parties.

乙方应按月向甲方提供根据经销商订单的未来3个月的预计销售额该报告应采用双方同意的格式。

## 12. Collaboration

合作

- a. Party A and B will enter discussions re collaboration to build Canada market

甲乙双方将商讨合作共建加拿大市场

。可以问我们美国公司买，具体双方给沟通

- b. Party A and B will work together to develop accessories and marketing strategies and partnerships to maximize the value of the Segway Brand in Canada

甲方和乙方将共同开发配件和营销策略，并建立合作关系以最大限度地提高 Segway 品牌在加拿大的价值。

Party B is willing to share its proprietary strategies and products and solutions with Party A such as our proprietary retail store design, layout and technology and store branding solutions

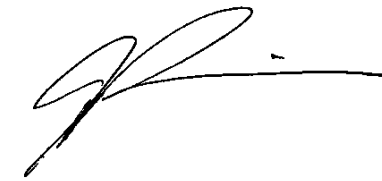
乙方愿意与甲方分享其专有战略、产品和解决方案，例如乙方专有的零售店设计、布局和技术以及店面品牌解决方案。

## 13. Insurance

保险 (I will ask our policy dept to check about the reinsurance company in Canada and below term)

- a. With the objective of Party A providing adequate and acceptable OEM insurance recognized in Canada.

2833713 Ontario Inc.



CEO

01-02-2023

Segway Technology Co., Ltd.

P. Z. Z.

Sales Director

2023.2.11

# APPENDIX

‘|’

**From:** [Jeffrey E. Feiner](#)  
**To:** [Daniel Posner](#); [Mark Rivers](#); [Wanda Lee](#)  
**Cc:** [Hans Rizarri](#); [Gary Caplan](#); [Ryan Chan](#)  
**Subject:** RE: 2833713 Ontario Inc. ("283")  
**Date:** July 17, 2023 12:40:56 PM

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**CAUTION :** This email originated from outside of the Crowe Soberman organization. Do not click on links or open attachments unless you recognize the sender and know the content is safe.

Hi Daniel,

Thank you for copying me on your request below. I believe that the documents you have requested are beyond the scope of the order, which does not extend to 283 but only to the business of Oasis and/or Rivers carried on through 283.

Happy to set up a call to discuss further.

Best regards,

Jeff

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**Jeffrey E. Feiner**  
*Partner*  
Direct: 416 725 2882

**CORMAN**  **FEINER**

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**From:** Daniel Posner <Daniel.Posner@CroweSoberman.com>  
**Sent:** Sunday, July 16, 2023 11:52 AM  
**To:** Mark Rivers <mrivers@hoosier-offroad.com>; Wanda Lee <WLee@hoosier-offroad.com>; Jeffrey E. Feiner <jfeiner@cormanfeiner.com>  
**Cc:** Hans Rizarri <Hans.Rizarri@CroweSoberman.com>  
**Subject:** 2833713 Ontario Inc. ("283")  
**Importance:** High

Hi Mark,

Thank you for your email of July 15. Further to that email and paragraph 2(a) of the Receivership Court Order, we are “to monitor and evaluate the business... of Oasis and/or Rivers carried on through 283.”

Accordingly, with respect to 283, please provide the following forthwith:

1. All financing or proposed financing from TD or any other financial institution in favor of 283
2. All issued financial statements for 283
3. All internal financial statements for 283
4. General Ledgers for the fiscal years of 2021 and 2022, and for the period January 1, 2023 to date
5. Current Trial balance
6. Current aging of accounts receivable
7. Current aging of accounts payable

Thank you,

Daniel Posner, CPA, CBV, CIRP  
Manager, Corporate Recovery and Turnaround

Crowe Soberman Inc.  
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[crowe.com/ca/crowesoberman](http://crowe.com/ca/crowesoberman)

**Please note that the Crowe Soberman office will be closed every Friday from July 7th up to and inclusive of September 1st, 2023. Our response time may be delayed on these days. Hope you are having a great summer!**

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**From:** Mark Rivers <[mrivers@hoosier-offroad.com](mailto:mrivers@hoosier-offroad.com)>

**Sent:** Saturday, July 15, 2023 7:31 AM

**To:** Daniel Posner <[Daniel.Posner@CroweSoberman.com](mailto:Daniel.Posner@CroweSoberman.com)>; Wanda Lee <[WLee@hoosier-](mailto:WLee@hoosier-)

# APPENDIX

‘J’

