

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

BETWEEN:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

**MOTION RECORD OF THE RECEIVER  
(Approval and Vesting Order: Approval of Receiver's Reports)  
(returnable November 7, 2023, 8:30 a.m.)**

November 6, 2023

**SCALZI PROFESSIONAL CORPORATION**  
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**TO: SERVICE LIST**

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

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

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

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

**NOTICE OF MOTION**

Crowe Soberman Inc. ("**Crowe**"), in its capacity as the Court-appointed Receiver ("**Receiver**"), without security, of all of the assets, undertakings and properties of Oasis Global Inc. John Mark Rivers also known as Mark Rivers, and 2833713 Ontario Inc. ("**Debtors**"), including all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof, will make a motion to a Judge on the Commercial List on Tuesday, November 7, 2023 at 8:30 a.m., or as soon as the motion may be heard:

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- In writing under subrule 37.12.1 (1) because it is on consent.
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.

at the following location: 393 University Ave., Toronto (Virtual by Zoom).

**THIS MOTION IS FOR:**

1. an Order validating service of this Motion Record in the manner effected, abridging the time for service thereof, and dispensing with service thereof on any party other than the parties served;

2. an Order approving the “Second Report of the Receiver”, dated October 31, 2023, and activities set out therein, and an Order sealing the Confidential Appendix “D” to the Second Report;
3. an Order approving the Supplementary Report to the Second Report of the Receiver, dated November 5, 2023, and an Order sealing the Confidential Appendix "A" to the Supplementary Report;
4. an Order approving the sale by the Receiver of all right, title, and interest, in certain assets, property, and undertaking, of the defendant, Oasis Global Inc., pursuant to an Asset Purchase Agreement (“APA”) dated \_\_\_\_\_ , made between the Receiver and Chriscwe Holdings Inc. (“**Chriscwe**” or “**Purchaser**”), and an Order vesting in the Purchaser the said debtor’s right, title and interest in and to the “Purchased Assets” (as defined in the APA), free and clear of all claims and encumbrances other than permitted encumbrances, upon delivery of a certificate by the Receiver to the Purchaser, substantially in the commercial list model template form attached hereto as Appendix "A";
5. an Order for leave of this Court to permit the Receiver to disclaim, disaffirm, or terminate, as the case may be, the following letters of intent, contracts, memoranda of understanding, and/or leases, all without prejudice to the rights of any party, including the Receiver, to seek such claims and remedies if so advised:
  - a. Segway Powersports Letter of Intent entered between Segway and 283 dated July 15, 2021, as supplemented by Distribution Contract – Addendum between Segway and 283 dated February 11, 2023;
  - b. MOU between Segway and 283 (Oasis Global Inc. as the non-exclusive agency) dated February 10, 2023;
  - c. MOU between Segway (Party A) and 283 (Party B) (Oasis Global Inc. is the non-exclusive sales agent for Party B);<sup>1</sup>
  - d. a lease agreement between Mark Rivers (as Head Landlord) and Mill Valley Private Reserve LP (as Tenant), dated December 15, 2014;

---

<sup>1</sup> See Supplementary Report to the Second Report of the Receiver, dated November 6, 2023.

- e. a lease agreement between Mill Valley Estates of 101 Rolph Road, Baltimore, ON KOK 1C0 (as Sub-Landlord), and Oasis Global Inc. of 101 Rolph Road, Baltimore, ON, KOK 1C0 (as Sub-Tenant) dated May 1, 2018; and
  - f. a Wholesale Program Agreement entered into between De Lage Landen Financial Services Canada Inc. ("**DLL**") and Oasis dated March 30, 2022, as amended by an Amendment No. 1 to Wholesale Program Agreement entered into between DLL, Oasis and 283 dated September 7, 2023.
6. pursuant to para 2(c) of the Receivership Order, an Order of this Court granting leave to the Receiver to enter into a commercial lease, on terms and conditions to be approved by this Court, with the Purchaser in respect of that portion of the lands and premises of the Baltimore Property other than those lands and premises that constitute the residence of Mark Rivers, and Linda Rivers, and any lands and improvements appurtenant thereto;
7. an Order of this Court granting leave to the Receiver to enter into a Residential form of Lease on terms and conditions to be approved by this Court with the debtor, Mark Rivers, and Linda Rivers, in respect of those lands and premises that constitute the residence of Mark Rivers and Linda Rivers and any lands and improvements appurtenant thereto; and
8. such further and other relief as counsel may advise and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

9. Pursuant to the Order of the Honourable Mr. Justice Osborne dated August 31, 2023 ("**Receivership Order**"), made on an application by Chriscwe, Crowe Soberman Inc. was appointed as Receiver ("**Receiver**") of all of the assets, undertakings, and properties of Oasis Global Inc. ("**Oasis**", or the "**Company**"), John Mark Rivers ("**Mr. Rivers**"), and 2833713 Ontario Inc. ("**283**") (collectively the "**Debtors**"), including all of the assets, undertakings and properties acquired for, or used in relation to a business carried on by the Debtors ("**Property**").
10. The Receiver's First Report, and activities described therein have been approved.
11. After the First Report, the Receiver has, among other things:

- a. engaged in extensive discussions with the Debtors and the Chriscwe;
- b. engaged in discussions with the licensor, Segway Technologies Co., Ltd.;
- c. engaged in extensive discussions with DLL;
- d. attempted to carry on the business of Oasis while investigating the viability of the business; and
- e. further and other details as outlined in the Receiver's First Report, Supplementary Report to the First Report, Second Report, and Supplementary Report to the Second Report.

12. The Receiver has now determined that the carrying on of the Oasis business is no longer viable because of the lack of working capital, a decline in sales, and the other factors referred to in the Second Report and Supplementary Report to the Second Report. In particular, the business and affairs of Oasis have adversely suffered the following:

- a. employees of Oasis have been laid off;
- b. the licensor, Segway Technology Co., Ltd., has not shipped any further product to the dealer network;
- c. the licensor, Segway Technology Co., Ltd., has asked the Receiver to terminate the three contractual arrangements hereinabove described with 283 (and Oasis, its non-exclusive sales agent);
- d. taxes and government remittances are increasing, and remain unpaid;
- e. DLL has asked the Receiver for permission to terminate its contract with the debtor;
- f. Mark Rivers has advised the Receiver of his intention to resign as director and officer of Oasis;
- g. 283 conducts no active business;
- h. DLL's request to terminate its relationship with the Debtors; as previously noted, the primary source of Oasis' cash flows comes from the WPA with DLL;

- i. Segway Technology Co., Ltd. has stopped shipping Segway products to Oasis, and is claiming a material default in connection with the Distribution Agreement;
  - j. industry slowdown in sales of powersports; and
  - k. lack of financing and working capital.
13. The Receiver is entitled to bring this motion for an Order approving the sale by the Receiver pursuant to paragraph 2(c), (j) and (l) of the Receivership Order made by this Court on August 31, 2023.
14. For the reasons set out above, the Receiver is of the view that the business of Oasis is not viable. The Receiver was prepared to recommend to this Court that the assets and undertaking of 283 be sold and liquidated by auction.
15. The secured creditor, Chriscwe, has now come forward and presented the Receiver with an offer to purchase the assets, as therein defined, of Oasis, subject to a number of conditions set out in the APA.
16. The Receiver believes that it is in the interest of all stakeholders that the business of the Canadian distributor of Segway products be continued, such that:
  - a. the secured creditor, Chriscwe, will purchase the assets and property of 283, as more particularly described in the APA;
  - b. the Receiver be granted leave of this Court to disaffirm and terminate the contracts, and arrangements referred to above;
  - c. the Purchaser, Chriscwe, be at liberty to enter into business arrangements with the licensor, Segway Technology Co., Ltd., and DLL, if so advised;
  - d. the Purchaser, Chriscwe, be permitted access and possession of that portion of the Baltimore Property necessary to conduct its business affairs, in accordance with a commercial lease, the terms of which are to be agreed upon by the parties, and approved by this Court; and



- e. Mark Rivers, and Linda Rivers be at liberty to enter into a residential lease with the Receiver on terms and conditions to be agreed upon, and approved by this Court, such residential lease to be limited to the residential lands and improvements thereon.

17. The mortgages registered against the Baltimore Property may be in default and the Receiver will provide this Court, in a subsequent report, an update on the status of these mortgages, and a plan of action.

18. The Debtors have, to date, failed to present to this Court any viable alternative with respect to the business affairs of Oasis.

19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE RECEIVER RELIES ON THE FOLLOWING, GENERALLY:**

20. The Receivership Order dated August 31, 2023.

21. The findings and observations set out in the First Report of the Receiver, Supplementary Report to the First Report of the Receiver, Second Report of the Receiver, and the Supplementary Report to the Second Report of the Receiver.

22. The provisions of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, including section 243.

23. The provisions of the *Courts of Justice Act*, R.S.O. c. C. 43, including section 137(2).

24. Rules 1.04, 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*.

25. The inherent and equitable jurisdiction of this Court.

26. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

27. The Receivership Order, dated August 31, 2023;

28. The First Report of the Receiver, dated July 18, 2023;

29. The Supplementary Report to the First Report of the Receiver, dated August 2, 2023;
30. The Second Report of the Receiver, dated October 31, 2023;
31. The Supplementary Report to the Second Report of the Receiver, dated November 6, 2023; and
32. Such further evidence as counsel may advise and this Honourable Court may permit.

November 6, 2023

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Lawyers for the Receiver

**TO: SERVICE LIST**

APPENDIX "A"  
TO THE NOTICE  
OF MOTION

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

THE HONOURABLE MR. JUSTICE OSBORNE )  
)  
)

TUESDAY, THE 7th  
DAY OF NOVEMBER 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 and  
2833713 ONTARIO INC.

Defendants

**ORDER**

**THIS MOTION**, made by Crowe Soberman Inc. ("**Receiver**") in its capacity as the Court-appointed receiver of the undertaking, property and assets of Oasis Global Inc., ("**Oasis**"), John Mark Rivers also known as Mark Rivers, and 2833713 Ontario Inc. (together, the "**Debtors**") for an order approving the conditional sale transaction ("**Transaction**") contemplated by an Asset Purchase Agreement ("**APA**") between the Receiver and Chricuwe Holdings Inc. ("**Chricuwe**" or "**Purchaser**") dated \_\_\_\_\_, and appended as *CONFIDENTIAL* Appendix "A" to the Supplementary Report to the Second Report of the Receiver, dated November 6, 2023, and vesting in the Purchaser Oasis' right, title and interest in and to the assets described in the APA ("**Purchased Assets**"), and sealing the APA pending the closing of the Transaction, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Receiver, and the Supplementary Report to the Second Report of the Receiver, and on hearing the submissions of counsel for the Receiver, counsel for \_\_\_\_\_

1. **THIS COURT ORDERS AND DECLARES** that the conditional sale Transaction is hereby approved and the execution of the APA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **AND THIS COURT ORDERS** that upon payment of the purchase price to the Receiver, in accordance with the conditional APA, the provisions of paragraph 3 shall apply.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser, substantially in the form attached as Schedule A hereto ("**Receiver's Certificate**"), all of Oasis' right, title and interest in and to the Purchased Assets described in the APA shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise ("**Claims**") including, without limiting the generality of the foregoing:

- a. all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and
- b. those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to Oasis' past and current employees, including personal information of those employees listed on Schedule " \_\_\_\_\_ " to the APA. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Oasis.

7. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Oasis and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of the Oasis;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Oasis and shall not be void or voidable by creditors of Oasis, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or

provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **SEALING**

8. **THIS COURT ORDERS** that the conditional APA, as set out in Appendix “A” to the Supplementary Report of the Receiver to the Second Report and provided to this Court by the Receiver, and the Appraisal Report, as set out in Appendix “D” of the Second Report of the Receiver, shall remain sealed and shall not form part of the public record in this proceeding until the closing of the Transaction, or by further Order of the Court.

#### **APPROVAL OF RECEIVER REPORTS**

9. **THIS COURT ORDERS** that the Second Report of the Receiver, dated October 31, 2023, and the Supplementary Report to the Second Report of the Receiver, dated November 5, 2023, and the activities of the Receiver and its legal counsel set out therein, are hereby approved.

#### **DISCLAIMER AND TERMINATION OF CONTRACTS**

10. **THIS COURT ORDERS** that the Receiver is at liberty to disclaim, disaffirm, and terminate, as the case may be, the following intent, memoranda of understanding, contracts and arrangements, subject to the terms and conditions set out below, all without prejudice to the rights of any party, including the Receiver, to seek such claims and remedies if so advised:

- a. Segway Powersports Letter of Intent entered between Segway and 283 dated July 15, 2021, as supplemented by Distribution Contract – Addendum between Segway and 283 dated February 11, 2023;
- b. MOU between Segway and 283 (Oasis Global Inc. as the non-exclusive agency) dated February 10, 2023;
- c. MOU between Segway (Party A) and 283 (Party B) (Oasis Global Inc. is the non-exclusive sales agent for Party B);<sup>1</sup>

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<sup>1</sup> See Supplementary Report to the Second Report of the Receiver, dated November 5, 2023.

- d. a lease agreement between Mark Rivers (as Head Landlord) and Mill Valley Private Reserve LP (as Tenant), dated December 15, 2014;
- e. a lease agreement between Mill Valley Estates of 101 Rolph Road, Baltimore, ON KOK 1C0 (as Sub-Landlord), and Oasis Global Inc. of 101 Rolph Road, Baltimore, ON, KOK 1C0 (as Sub-Tenant) dated May 1, 2018; and
- f. a Wholesale Program Agreement entered into between De Lage Landen Financial Services Canada Inc. (“**DLL**”) and Oasis dated March 30, 2022, as amended by an Amendment No. 1 to Wholesale Program Agreement entered into between DLL, Oasis and 283 dated September 7, 2023, but without prejudice to the rights of the Debtor, the Receiver, and DLL, to pursue such claims and remedies as may be available to each of them.

#### **COMMERCIAL AND RESIDENTIAL LEASES AND ARRANGEMENTS**

11. **THIS COURT ORDERS** that the Receiver is at liberty to enter into the following contracts and arrangements:

- a. a commercial lease, on terms and conditions to be approved by this Court, with the Purchaser in respect of that portion of the lands and premises of the Baltimore Property other than those lands and premises that constitute the residence of Mark Rivers, and Linda Rivers, and any lands and improvements appurtenant thereto; and
- b. a Residential form of Lease on terms and conditions to be approved by this Court with the debtor, Mark Rivers, and Linda Rivers, in respect of those lands and premises that constitute the residence of Mark Rivers and Linda Rivers and any lands and improvements appurtenant thereto.

#### **GENERAL**

12. **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.

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CHRISCWE HOLDINGS INC.  
Plaintiff

and OASIS GLOBAL INC. et al  
Defendants

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

**SCALZI PROFESSIONAL CORPORATION**

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Lawyers for the Receiver

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

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

**RECEIVER'S CERTIFICATE**

**RECITALS**

**A.** Pursuant to an Order of the Honourable Mr. Justice Osborne of the Ontario Superior Court of Justice (“**Court**”) dated August 31, 2023, Crowe Soberman Inc. was appointed as the receiver (“**Receiver**”) of the undertaking, property and assets of Oasis Global Inc., John Mark Rivers, and 2833713 Ontario Inc. (collectively, “**Debtors**”).

**B.** Pursuant to an Order of the Court dated \_\_\_\_\_, the Court approved the Asset Purchase Agreement made as of \_\_\_\_\_ (“**APA**”) between the Receiver and Chriscwe Holdings Inc. (“**Purchaser**”) and provided for the vesting in the Purchaser of the Debtors’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the APA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

**C.** Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

**THE RECEIVER CERTIFIES the following:**

1. The Purchaser has paid, and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the APA;
2. The conditions to Closing as set out in the APA have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ on \_\_\_\_\_.

**Crowe Soberman Inc., in its capacity as Receiver  
of the undertaking, property and  
assets of Oasis Global Inc., John Mark Rivers, and 2833713 Ontario Inc.,  
and not in its personal capacity**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

DRAFT DRAFT DRAFT

CHRISCWE HOLDINGS INC.  
Plaintiff

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF MOTION OF THE RECEIVER**

**SCALZI PROFESSIONAL CORPORATION**  
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Lawyers for the Receiver

TAB 2

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

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

**CHRISCWE HOLDINGS INC.**

**Plaintiff**

**- and -**

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

**Defendants**

**SECOND REPORT OF THE RECEIVER**

**October 31, 2023**

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CONFIDENTIAL APPENDIX “D” – Updated Inventory Appraisal – September 13, 2023

APPENDIX “E” – Statement of Receipts and Disbursements

APPENDIX “F” – DLL Wholesale Program Agreement – March 30, 2022

APPENDIX “G” – DLL Letter to Receiver – October 2, 2023

APPENDIX “H” – Cash Flow Projections

APPENDIX “I” – Segway Technology Letter – October 26, 2023

APPENDIX “J” – CRA Notice re Payroll Taxes Owing

APPENDIX “K” – CRA Notice re HST Owing

APPENDIX “L” – Mortgage Information Statements for the Property



## I. INTRODUCTION

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

## II. PURPOSE OF THE SECOND REPORT

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

## III. TERMS OF REFERENCE

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

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

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

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

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

## V. INITIAL PLAN AND ASSESSMENT OF THE RECEIVER

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

### **Cash Flow Difficulties**

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

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

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

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

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

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

### **Segway Technology**

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

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

### **Government Remittances**

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

## General

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

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

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



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

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

## **VI. RECOMMENDATIONS**

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

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

**CROWE SOBERMAN INC.**

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



# APPENDIX A

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE OSBORNE

)  
)  
)

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

B E T W E E N:

CHRISCWE HOLDINGS INC.

Plaintiff

and

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

Defendants

**ORDER**

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

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

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

## **APPOINTMENT**

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

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

## **RECEIVER'S POWERS**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

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

## **EMPLOYEES**

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

## **PIPEDA**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

#### **SERVICE AND NOTICE**

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

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

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

#### **GENERAL**

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

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

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

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

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

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

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

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

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

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

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**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

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

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

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

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

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

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

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

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

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

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

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

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

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

Name: Hans Rizarri, CPA, LIT

Title: President

B E T W E E N

CHRISCWE HOLDINGS INC.  
Plaintiff

-and-

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

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

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**ORDER**

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**MINDEN GROSS LLP**  
Barristers and Solicitors  
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Lawyers for the Plaintiff

# APPENDIX B



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

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

**CHRISCWE HOLDINGS INC.**

**Plaintiff**

**- and -**

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

**Defendants**

**FIRST REPORT OF THE RECEIVER**

**JULY 18, 2023**

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## APPENDICES

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

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

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

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

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

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

APPENDIX “G” – Royalty Agreement between Oasis and 283

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

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

APPENDIX “J” – Organization Chart

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

CHRISCWE HOLDINGS INC.

Plaintiff

- and -

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

Defendants

FIRST REPORT OF THE RECEIVER

JULY 18, 2023

**I. INTRODUCTION**

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

**II. PURPOSE OF THE FIRST REPORT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **C. Inventory**

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

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

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

### **D. Accounts Payable**

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

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

### **E. Government Remittances**

26. Per Note 7 of FS 2022:



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

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

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

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

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

**F. Due to Shareholder Balances**

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

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

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

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

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

**G. Occupancy Costs**

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

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

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

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

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

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

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

## I. Magonis Boats

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **L General Findings**

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

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

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

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

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

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

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

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

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

## **VI. RECOMMENDATIONS**

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

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

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

**CROWE SOBERMAN INC.**

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





# APPENDIX C

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

CHRISCWE HOLDINGS INC.

Plaintiff

- and -

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

Defendants

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

**AUGUST 2, 2023**

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

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

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

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

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

**CROWE SOBERMAN INC.**

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



**APPENDIX D**  
**CONFIDENTIAL**

# APPENDIX E

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

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

**Notes:**

1 Sales consist of the following:

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

2 Balance consists of the following:

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

# APPENDIX F



## WHOLESALE PROGRAM AGREEMENT

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

### WHEREAS:

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

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

### ARTICLE I PROGRAM SCOPE AND DEFINITIONS

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

### ARTICLE II WHOLESALE FINANCING PROGRAM

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

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

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

## 2.2 Wholesale Financing Incentives.

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

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

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

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

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

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

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

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

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

## 2.10 Funding Wholesale Financing Transactions.

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

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

## 2.11 Principal Curtailments; Interest.

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

### ARTICLE III EVALUATION AND APPROVAL OF DEALERS

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

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

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

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

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

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

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

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



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

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

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

## ARTICLE V REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF DLL

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

## ARTICLE VI INDEMNIFICATION; LIMITATION OF LIABILITY

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

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

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

## ARTICLE VII DEFAULT

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

## ARTICLE VIII TERM AND TERMINATION

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

## ARTICLE IX MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**Exhibit “A”****DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Insert logo.

COPY VIEW

# APPENDIX G



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

## DELIVERED VIA EMAIL

October 2, 2023

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

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

Attention: **Daniel Posner and Hans Rizarri**

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

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

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

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

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

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

Yours sincerely

**Robert Shipcott**

Robert Shipcott  
Chief Legal Officer



# APPENDIX H

Oasis Global Inc.  
Cash flow Projections

For the Week Beginning:

Notes

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

Notes:

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

# APPENDIX I

October 26, 2023

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

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

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

Dear Mr. Rizarri,

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

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

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

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

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



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

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

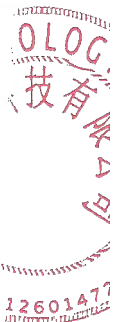
Prior to the Appointment Order, 283 was in material default under the terms of the Distribution Agreements (and continues to be as of this date), including, without limitation, pursuant the following events of default:

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

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

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

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



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

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

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

Sincerely,

Segway Technology Co., Ltd.



# APPENDIX J



Tax Centre  
North York ON M2N 6R9

September 29, 2023

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

Dear Sir:

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

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

Details of the debt are as follows:

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

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

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

.../2



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


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

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

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

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

Yours truly,



Edward Devilles  
Collections Officer

# APPENDIX K



Tax Centre  
North York ON M2N 6R9

September 29, 2023

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

Dear Sir:

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

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

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

.../2



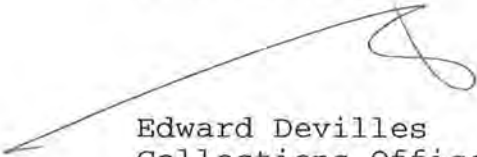
Under the Excise Tax Act, \$1,496,697.33 of the above totals represents property of the Crown held in trust and does not form part of OASIS GLOBAL INC. sometime carrying on business as SEGWAY POWERSPORTS CANADA's property, business, or estate. This is the case whether or not those funds are kept separate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

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

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

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

Yours truly,



Edward Devilles  
Collections Officer

# APPENDIX L

---

**MORTGAGE INFORMATION STATEMENT**

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

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

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

---

Executed By:

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

Chris McCurley  
Director | Mortgage Services  
Pocrnic Realty Advisors Inc.

TAB 3

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

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

**CHRISCWE HOLDINGS INC.**

**Plaintiff**

**- and -**

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

**Defendants**

**SUPPLEMENTARY REPORT TO THE SECOND REPORT OF THE RECEIVER**

**November 6, 2023**



Further to the Receiver's Second Report, dated October 31, 2023, which has been filed with the Court, the Receiver now reports as follows:

### **Asset Purchase Agreement**

1. The Receiver has been provided with a draft Asset Purchase Agreement ("**APA**"), which is attached as **Confidential Appendix "A"**.
2. The APA is between Chriscwe Holdings Inc. ("**Chriscwe**" or the "**Purchaser**") and the Receiver ("**Vendor**").
3. The Purpose of the APA is for Chriscwe to purchase from the Vendor, all of Oasis Global Inc's and Mr. Rivers' right, title and interest, to the Purchased Assets, as defined therein.
4. The salient terms of the APA are as follows (defined terms used in this section and not otherwise defined herein have the meaning ascribed to them in the APA):
  - (a) The purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be \$ as stated in Confidential Appendix A ("**Purchase Price**").
  - (b) The Vendor shall deliver a deposit ("**Deposit**"). The Purchaser authorizes the Vendor to disburse the Deposit in accordance with the following provisions:
    - (i) if the purchase and sale of the Purchased Assets is completed in accordance with the terms of the APA, then the Deposit shall be released from trust and applied towards payment of the Purchase Price;
    - (ii) if the purchase and sale of the Purchased Assets is not completed due solely to a default by the Purchaser, then the Deposit shall be forfeited by the Purchaser as liquidated damages (and not as a penalty) without prejudice to any other rights and remedies of the Vendor arising from the Purchaser's default; and
    - (iii) if the purchase and sale of the Purchased Assets is not completed for any other reason, then the Deposit shall be returned to the Purchaser and the Purchaser, and the Vendor shall be released from all obligations stipulated by the APA.

- (c) The Purchase Price shall be paid and satisfied by the Purchaser at the Closing as follows:
  - (i) the Deposit shall be paid to the Vendor and credited against the Purchase Price in accordance with subsection (b)(i) of the APA; and
  - (ii) the balance shall be paid to the Vendor by way of the Purchaser credit billing its senior secured debt (which currently amounts to approximately \$9,300,000).
- (d) The Purchase Price shall be allocated among the Purchased Assets in the manner agreed to by the Purchaser and Vendor prior to Closing (acting reasonably) and the Parties shall file their respective income tax returns prepared in accordance with such allocations.
- (e) Other than the Assumed Liabilities (as defined therein), the Purchaser shall not assume and shall not be liable for any debts, liabilities or other obligations of any Company.
- (f) The Purchaser may, at its option, exclude any of the Purchased Assets from the transaction contemplated hereunder prior to the Time of Closing, whereupon such Purchased Assets shall be Excluded Assets, provided, however, that there shall be no adjustment in the Purchase Price.
- (g) The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Vendor's Solicitors, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser.

## **Disclaimer of Distribution Contract Agreement with Segway Technology Co., Ltd.**

5. On October 26, 2023, the Receiver was provided from Segway Technology Co., Ltd. ("**Segway Technology**"), their letter stating the material breaches of 283. The letter was appended to in the Receivers' second report and is attached here again as **Appendix "B"**
6. On November 2, 2023, legal counsel for the Defendants responded to Segway Technology's letter by email, explaining why they are not in breach. Attached as **Appendix "C"** is a copy of the email response. To date, Segway Technology has not responded , and the Receiver is reviewing the allegations and can report to the Court at a later date of its findings if requested by the parties.
7. Also, on October 26, 2023, Segway Technology provided the following that collectively comprises of the distribution arrangement between Segway Technology and 283.
  - (a) Letter of Intent dated July 15, 2021 ("**LOI**"), between Segway Technology and 283 for the purpose of the former granting exclusive distributorship rights to the latter. The LOI is attached as **Appendix "D"**.
  - (b) Memorandum of Understanding between Segway Technology and 283. This document is attached as **Appendix "E"**. Therein, it sets out various stipulations between the parties in connection with the Exclusive Distribution Agreement, including but not limited to purchase targets, warranties, handling of social media, and the servicing of loans that were to be provided by Segway Technology to 283. The Receiver notes that this document is undated.
  - (c) Memorandum of Understanding dated February 10, 2023. This document sets out an agreement regarding recall, marketing support, and purchase support and is attached as **Appendix "F"**.
  - (d) Distribution contract – addendum dated February 11, 2023 ("**Distribution Contract Addendum**") and is attached as **Appendix "G"**.
8. The APA has a condition in Article 4.1 (Purchaser's Conditions), that the current distribution agreement be terminated. The Receiver has been asked to disclaim this distribution arrangement consisting of the Distribution Contract Addendum and the applicable letter of intent and memorandum of understandings, in order to fulfil the purchaser's condition under Article 4.1.

9. The Receiver has had discussions with Segway Technology's legal counsel, and they believe a disclaimer is required so that Segway Technology can move ahead with a new distribution agreement with the purchaser, Chriscwe, on an urgent basis as the non-operational status of Oasis is causing harm and reputational damage to the Segway brand including the fact that the dealers and customers are not being serviced properly.
10. Segway Technology has made it clear to the Receiver that it will no longer move forward with Mark Rivers, 283 and Oasis, and that an immediate resolution to provide proper sales, service and warranty resolution to the dealers and customers is paramount.
11. Without Segway Technology's support, the value of any company selling and servicing Segway products in Canada is nullified.
12. The purchase price in the APA is significantly higher than the appraisal value of the inventory conducted by the Receiver in September 2023, which was attached as a confidential appendix in the Second Report.
13. Under these circumstances, the highest value that can be obtained for the assets of Oasis is the sale of its assets through the APA. Further, as Chriscwe will continue the Segway business in Canada with support of Segway Technology, then the Segway brand has an ability to be repaired, and the dealers and customers can start receiving proper service.

#### **Lease Agreements with Mill Valley and Mark Rivers**

14. There is a lease agreement between Mr. Rivers (as Head Landlord) and Mill Valley Private Reserve LP (as Tenant), dated December 15, 2014. A copy of this lease agreement is attached as **Appendix "H"**.
15. There is a lease agreement between Mill Valley Estates of 101 Rolph Road, Baltimore, ON K0K 1C0 (as Sub-Landlord), and Oasis (as Sub-Tenant), dated May 1, 2018. A copy of this lease agreement is attached as **Appendix "I"**.
16. Given that the APA provides for the Vendor to rent out the premises located at 101 Rolph Road, Baltimore, ON K0K 1C0, to the Purchaser, the Receiver will look to the Court to disaffirm or terminate the leases with Mill Valley Private Reserve LP and Mill Valley Estates.

17. Further, the Receiver will request an Order from the Court granting leave to the Receiver to enter into a Residential form of Lease on terms and conditions to be approved by this Court with the debtor, Mr. Rivers, and Ms. Rivers, in respect of those lands and premises that constitute the residence of Mr. Rivers and Ms. Rivers and any lands and improvements appurtenant thereto.

**De Lage Landen Financial Services Canada Inc. (“DLL”)**

18. The Receiver will look to the Court to disaffirm or terminate the Wholesale Program Agreement entered into between DLL and Oasis dated March 30, 2022, as amended by an Amendment No. 1 to Wholesale Program Agreement entered into between DLL, Oasis and 283 dated September 7, 2023, but without prejudice to the rights of the Debtor, the Receiver, and DLL, to pursue such claims and remedies as may be available to each of them.

**Recommendations:**

19. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court:
  - a) Grant an Order approving the APA and vesting title in and to the Purchaser upon the Receiver’s filing a certificate confirming that that the conditions of closing have been met to the Receiver’s satisfaction;
  - b) Grant an Order to disclaim the Distribution Contract Addendum and the applicable letter of intent and memorandum of understandings between Segway Technology and 283;
  - c) Grant an Order to permit the Receiver to disaffirm, or terminate, as the case may be, the following:
    - i. lease agreement between Mr. Rivers (as Head Landlord) and Mill Valley Private Reserve LP (as Tenant), dated December 15, 2014;
    - ii. lease agreement between Mill Valley Estates of 101 Rolph Road, Baltimore, ON K0K 1C0 (as Sub-Landlord), and Oasis (as Sub-Tenant) dated May 1, 2018; and

- iii. the Wholesale Program Agreement entered into between DLL and Oasis dated March 30, 2022, as amended by an Amendment No. 1 to Wholesale Program Agreement entered into between DLL, Oasis and 283 dated September 7, 2023, but without prejudice to the rights of the Debtor, the Receiver, and DLL, to pursue such claims and remedies as may be available to each of them.
  
- d) Grant an Order to permit the Receiver to enter into a Residential form of Lease on terms and conditions to be approved by this Court with the debtor, Mr. Rivers, and Ms. Rivers, in respect of those lands and premises that constitute the residence of Mr. Rivers and Ms. Rivers and any lands and improvements appurtenant thereto.

All of which is respectfully submitted this 6<sup>th</sup> day of November 2023.

**CROWE SOBERMAN INC.**

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



CONFIDENTIAL  
APPENDIX A

# APPENDIX B



October 26, 2023

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

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

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

Dear Mr. Rizarri,

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

Sincerely,

Segway Technology Co., Ltd.



# APPENDIX C

## Daniel Posner

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**From:** Daniel Posner  
**Sent:** November 5, 2023 8:36 PM  
**To:** Daniel Posner  
**Subject:** FW: Receivership of Oasis Global Inc. ("Oasis"), 2833713 Ontario Inc. ("283") and Mark Rivers ("Mark")  
**Attachments:** Enclosure 4-MOU (undated).pdf  
**Importance:** High

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**From:** Jason Spetter <[jspetter@lzwlaw.com](mailto:jspetter@lzwlaw.com)>  
**Sent:** Thursday, November 2, 2023 2:12 PM  
**To:** Hans Rizarri <[Hans.Rizarri@CroweSoberman.com](mailto:Hans.Rizarri@CroweSoberman.com)>  
**Cc:** Ian Klaiman <[IKlaiman@lzwlaw.com](mailto:IKlaiman@lzwlaw.com)>; Jeffrey E. Feiner <[jfeiner@cormanfeiner.com](mailto:jfeiner@cormanfeiner.com)>; [dchochla@fasken.com](mailto:dchochla@fasken.com); [gcaplan.scalzilaw@outlook.com](mailto:gcaplan.scalzilaw@outlook.com)  
**Subject:** Receivership of Oasis Global Inc. ("Oasis"), 2833713 Ontario Inc. ("283") and Mark Rivers ("Mark")  
**Importance:** High

**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 Hans,

I confirm that we have now been retained by the respondents in the above noted receivership. Our client has now had an opportunity to review the letter from Oasis to the receiver dated October 26, 2023, and we wish to respond as follows with respect to Segway's allegations:

1. [Segway's claim: 283 has defaulted under Section 5.2 of Letter of Intent by failing to notify Segway of its applicable retail price for authorized product](#)

All applicable retail prices for authorized products (ATV, UTV and SSV) have been listed on the [segwaypowersports.ca](https://segwaypowersports.ca) website from the time of the brand launch (see links below). While 283 placed their orders and submitted deposits for the AT5 and UT10 Crew, they have been advised by Fan (283's sales manager at Segway) that production has not commenced. Under the circumstances, they cannot advertise the retail price until confirmation is received that the above products will be delivered.

<https://segwaypowersports.ca/pages/segway-villain-ssv-sxs>

<https://segwaypowersports.ca/pages/segway-fugleman-utv>

<https://segwaypowersports.ca/pages/segway-snarler-atv>

2. [Segway's claim: 283 has defaulted under Section 8.2 of Letter of Intent by failing to maintain sufficient stock of Segway's spare parts. As a result, 283 appears to be failing to perform after-sales service to satisfy consumers' requests for service of product](#)

283 has been aggressively chasing Segway for parts and there is a substantial paper trail demonstrating those efforts. Segway has provided a number of explanations for the delay of supply for parts: COVID, supply chain challenges, staffing challenges etc. For example, Segway required that 283 send out recall notices to over 300 of our customers yet, to date, Segway has only provided a fraction of the parts to satisfy this recall.

Furthermore, 283 submitted an urgent order for parts in August 2023. Despite assurances from Segway representatives that the parts would be delivered immediately, those parts have still not been delivered.

### 3. 283 has defaulted under Section 10 of Letter of Intent by failure to submit required reporting to Segway

283 sends month end reporting to Segway regarding all retail sales. Their parts/service/warranty team also meets weekly with Segway to provide reporting and any other information sought by Segway. Furthermore, Mark, Linda and accounting also provides Segway with reports whenever those reports are requested. For example, when Fan and Young from Segway were recently at 283's business premises, Fan requested and received from 283 sales information on the market. Fan acknowledged at that time that he was not aware of the details of the sales information maintained by 283.

### 4. 283 has defaulted by failing to achieve minimum purchase targets of 2000 units from Feb to Jun 2023

Please refer to the attached Memorandums of Understanding, in which the 2000 unit requirements was revised to 774. This change was discussed and agreed to during Mark's trip in February 2023. However, even with the 774 unit requirement, Segway has missed its obligations during the ensuing months. The revised target was based on parts arriving in time for the season, not after the peak season had ended. 283 is still waiting for many of those parts and the 2023 season has long ended.

Concerns also been raised by Segway about (a) the receiver's ability to maintain normal operations during the receivership, including its ability to make payments to Segway for any future shipments of product, and to other suppliers and employees, (b) the receiver's ability to maintain its delivery and services to the dealers selling the powersports units to the buyers, and (c) the receiver's ability to provide the dealers with support for recalls, repairs and warranties for the powersports units sold.

The principals of 283 have done everything possible to assist the receiver in maintaining normal business operations regarding the Segway contract.

We look forward to resolving any outstanding issues with Segway in a practical and productive manner.

**Jason Spetter | B.A., LL.B.**

Managing Director

D. 416 789 0655

T. 416 789 0652 x367

F. 416 789 9015

[jspetter@lzwlaw.com](mailto:jspetter@lzwlaw.com)



**Lipman, Zener & Waxman PC**

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto ON, M2N 6N5

[lzwlaw.com](http://lzwlaw.com)

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This message and any attachments are intended only for the addressee(s) and may contain privileged or confidential information. Any unauthorized disclosure is strictly prohibited. If you have received this message in error, please notify us immediately so that we may correct our internal records. Please then permanently delete the original message and any attachments and destroy any copies. Thank you.

# APPENDIX D

# Segway Powersports Letter of Intent

Date:

**This Letter of Intent (the “Document”) made as of this 15th day of July, 2021 (the “Execution Date”)**

赛格威科技有限公司 Segway Technology Co., Ltd.  
Tel: +86-519-69657999 Web: powersports.segway.com

江苏省常州市武进国家高新技术产业开发区夏城南路 395 号  
No.395, Xiacheng South Road, Wujin National High-tech Industrial Development Zone,  
Changzhou, Jiangsu, China.



**Between:** Party A: Segway Technology Co., Ltd. (hereinafter referred as “Segway Powersports” or “Party A”), of No.395, Xiacheng South Road, Wujin National High-tech Industrial Development Zone, Changzhou City, Jiangsu Province, China.

Party B: 2833713 Ontario Inc, (hereinafter referred as “SPC Segway Powersports Canada” or Party B) of 101 Rolph Road Baltimore ,Ontario , Canada. K0K 1C0

本意向书 (“文件”) 于 2021 年 7 月 15 日 (“签署日期”) 签署

双方: 甲方: 赛格威科技有限公司 (以下简称 “赛格威” 或 “甲方”), 地址: 中国江苏省常州市武进国家高新技术产业开发区夏城南路 395 号。

乙方: 2833713 Ontario Inc, (下称 “SPC Segway Powersports Canada” 或 “乙方”), 位于 101 Rolph Road Baltimore ,Ontario , Canada. K0K 1C0

### Background:

1. Party A wish to grant Exclusive Distributorship to Party B in territory of Canada
2. Party B will be representing Segway on the Sales and Marketing, after-sales service within the territory
3. Period of exclusivity is to be reviewed 14th-July, 2026.
4. Annual Sales target see appendices .
5. Product line are listed below

### 背景:

1. 甲方希望授予乙方在加拿大境内的独家经销权
2. 乙方将代表赛格威在区域内进行销售和营销、售后服务
3. 独家经销权限将于 2026 年 7 月 14 日进行到期。
4. 年度销售目标见附件。
5. 产品线如下所示

This Document will establish the basic terms included in a five year renewable Exclusive Distribution Document (the “Exclusive Distribution Document”) between the parties. The terms contained in this Document are not comprehensive and it is expected that additional terms may be added, and existing terms maybe changed and deleted. The basic terms are as follows:

本文件将确立双方未来独家经销文件 (“独家经销文件”) 中包含的基本条款。本文件中包含的条款并不全面, 预计可能会增加其他条款, 现有条款可能会被更改和删除。基本条款如下:

### Non-binding

This document is an initial letter of intent . The terms and conditions of the Exclusive Distribution document will supersede any terms and conditions contained in this document.. It is understood that the distributor is making significant investments and commitments in the spirit of a long term exclusive distribution agreement and needs the security and protection of exclusivity to secure the necessary banking relationships and continue to build infrastructure and resources including purchases of inventory and accessories necessary to ensure that the brand is professionally and properly supported in the territories. Both parties agree to operate under the terms of distribution agreement and in the spirit of this LOI until the final binding agreement has been formalized, including non solicitation of other parties without first terminating this agreement and proper notice period of not less than six months.

### 不具约束力

本文件为初始意向书。独家分销文件的条款和条件将取代本文件中所包含的任何条款和条件。据了解，经销商正在本着长期独家分销协议的精神进行重大投资和承诺，需要排他性的安全和保护，以确保必要的银行关系，并继续建立基础设施和资源，包括购买必要的库存和配件，以确保品牌在地区得到专业和适当支持。双方同意根据分销协议的条款和本协议的精神运作，直到最终具有约束力的协议正式生效，包括未事先终止本协议的其他方，以及不少于六个月的适当通知期。

### 1 授权 Authorization

甲方在此授权乙方为其独家经销商，在第 3 条所列区域（“经销区域”）内营销、销售、经销和提供第 3 条所列产品和服务，乙方接受上述授权。

Party A hereby appoints Party B as its Exclusive Distributor to market, sell, distribute and provide the Products and Services stipulated in Article 3 in the territory stipulated in Article 3 (“Territory”), and Party B accepts such appointment.

### 2 授权经销商品 Authorized Products and Services

甲方所授权经营的 Segway 全地形车及其附属产品（“产品”），以及与前述产品相关的零售、市场营销、租赁和商业合作（“服务”）。

授权车型如下：

Models of all-terrain vehicle manufactured by Segway and their accessories (“Products”) as authorized by Party A, as well as the retail, marketing, leasing, and other business cooperation in relation to the above-mentioned products (“Services”).

Authorized models as follows:

ATV Snarler series	UTV Fugleman series	SSV Villain series
		

### 3 经销区域 Distribution Territory/ies

#### 3.1 仅限 加拿大。

Party B’s authorized Distribution Territory/Territories is/are Canada only.

#### 3.2 乙方对其经销区域内一切关于产品的销售、推广、售后服务的行为负责并承担相应责任。

Party B is responsible for its business actions related to the sales, promotion, after-sales service of products within the Territory and undertakes all responsibilities to such actions.

#### 3.3 未经甲方事先书面同意，乙方无权指定分销商和/或将本协议项下全部或部分义务外包给第三方。

Without Party A’s prior written consent, Party B is not entitled to appoint Sub-Distributors and/or to contract out all or part of its obligations under this document to third parties.

- 3.4 乙方对其发展的经销商或与之有关联关系的任何人或关联公司（“关联方”）负责并承担连带责任。  
Party B shall be responsible for the distributors it develops or anyone related to it or affiliated companies ("Affiliated Companies") and Party B undertakes joint and several liability.

#### 4 价格条款及价格 Price terms and Price

- 4.1 本协议有效期内，乙方从甲方购买产品的价格条款及价格以甲方提供的报价表为准。  
During the term of this document, Price terms and price of the products will be listed in the quotation provided by Party A.
- 4.2 产品的报价及结算均采用美元。（除非甲乙双方书面特殊约定）  
Product pricing shall be in US dollars. (Unless the parties agree otherwise in writing)
- 4.3 乙方应当负责所有必要的清关、进口许可证，并且乙方应当支付进口和运至目的地所产生的全部相关关税、税收和其他收费。  
Party B shall be responsible for all the necessary import clearance, import licenses, and Party B shall pay all related duties, taxes and other charges for import and transportation to destinations,

#### 5 代理商购买和承诺销售数量 Distributor's Minimum Purchase Quantity

- 5.1 最低采购量见本合同附件一。  
The minimum purchase quantity is as Appendix 1 of the document.
- 5.2 乙方根据所经销区域市场的具体情况，制定 Segway Powersports 的市场零售价并报甲方同意后方可执行，甲方有权对乙方市场的零售价做出调整且乙方必须遵守。甲方不干预乙方在其经销区域内的正常的销售、市场活动。  
According to specific circumstances within the Territory, Party B shall determine the applicable market retail price of authorized products and report to Party A in writing. The market retail price shall not be set without the prior written confirmation from Party A. Party A is entitled to suggest retail price within Party B's Territory and Party B must comply to them. Party A shall not interfere with Party B's normal sales, market activities within the Territory.

#### 6 采购条款 Terms of Purchase

- 6.1 订单 Order  
乙方应通过提交书面采购订单（“订单”）向甲方订购产品，订单中应列明订单号、产品品名和描述、数量、价格、要求的交货日期和地点，以及甲方履行订单所需的任何其它出口/进口信息。甲方应在收到订单后的七（7）天内书面确认订单，甲方不得无理拒绝此类订单。  
Party B shall order products from Party A by submitting a written purchase order ("Order"). The order shall specify order number, product name and description, quantity, price, required delivery date and location, and any other export / import information required for Party A to fulfill orders. Party A shall confirm the order in writing within seven (7) days after receipt of orders, and shall not unreasonably refuse such orders.
- 6.2 付款条款 Payment term

货款应按如下付款条款支付至甲方：

Payment shall be made to Party A according to the following payment term:

- 6.2.1 付款条款：在订单确认后 5 日内，10%电汇预付，在发送 VIN 号后，乙方 3 天内支付 20%，70%见提单副本电汇，

如乙方要求其他付款条件，需书面告知甲方并获得甲方书面同意后方可执行。

Payment term: 10% down payment after order confirmation by T/T within 5 days, 20% paid within 3 days after that Party A send the VINs to Party B, balance payment at the sight of B/L copy.

Providing Part B requires other payment terms, Part B shall inform Part A in written form and shall be implemented after Part A's consent in written form.

## 7 保证 Warranties and Representations

甲方对其根据本协议出售的产品向乙方做出下列担保：

Party A warrants and represents to Party B for products sold under this document:

7.1 甲方是产品、及“Segway”商标以及产品中所含的其它知识产权的合法所有者（或合法授权使用者），产品、商标及产品中所含的其它知识产权上没有设定任何留置、担保或权利负担；

Party A is the legal owner (or legal authorized user) of the products, “Segway” trademark and other intellectual property contained in the products. There is no lien, guarantee or any encumbrances in the products, “Segway” trademark and other intellectual property contained in the products;

7.2 甲方同意使乙方免受任何和所有因甲方侵犯任何第三方知识产权、或基于其侵犯任何第三方知识产权而产生、或与其侵犯任何第三方知识产权相关的任何和所有索赔，责任，费用及支出，并为此赔偿乙方。

Party A agrees to indemnify Party B against any and all claims, liabilities, costs and expenses due to Party A's infringement of intellectual property rights of any third party.

## 8 库存及维修服务 Inventory and services

8.1 乙方应根据实际情况，保证充足的甲方产品库存以随时保证客户的订单供应。

Party B shall maintain an adequate stock of products available for purchase by its customers.

8.2 乙方应准备好在任何时间在其授权经销区域内向任何客户提供维修服务，并应始终保持充足的甲方备件的库存以应对客户随时可能的订单。此外，乙方应建立并保持足够的工作车间，配备所有必备设施和合格的工程师和/或技师，来进行有效的甲方产品售后服务。

Party B shall make available repair services for any customers in the territory at all-time, and shall always maintain a sufficient stock of Party A's spare parts upon its customer's order at any time. Further, Party B shall set up and maintain sufficient workshops equipped with all necessary facilities and qualified engineers and / or mechanics, to perform effective after-sales service for Party A products.

8.3 在履行这样的保修索赔中乙方应充当甲方的代理人。乙方和乙方指定的经销商必须提供妥善的甲方产品维修服务，不仅包含车子本身发现的问题，还包括处理保修索赔。甲方产品的保固和保修服务必须专门使用原装甲方备件。基于甲方提供的英文版本，乙方必须使用整套甲方服务文件（维修说明，操作手册，备件目录），并发给所有经销商。

Party B shall act as Party A's agent in the fulfillment of such a warranty claim. Party B and the appointed Party B dealers shall be obliged to maintain an appropriate customers and maintenance services for Party A product, which not only include those delivered, but also include handling of warranty and guarantee claims.

Guarantee and warranty services for Part A product shall exclusively use original Party A spare parts, subject to availability and quality. Based on the English version offered by Party A, Party B shall be obliged to use the entire set of Party A service documents (maintenance instructions, operation manuals, spare parts catalogs) and deliver them to all dealers.

8.4 当甲方接获任何来自代理商区域内的经销商或者顾客的投诉，甲方会毫不迟延地转介有关投诉到乙方，乙方应立即进行调查，并采取适当的行动。

Whenever Party A receives any complaint from any dealers or customers in the territory for Part A products,

Party A shall refer such complaint to Party B without delay, and Party B shall immediately investigate and take appropriate actions.

8.5 甲方下令召回时, 乙方有义务支持和开展召回行动, 甲方须承担因质量问题召回而产生的费用。

Party B shall be obliged to support and carry out recall operations ordered by Party A. Party A shall be responsible for the costs incurred due to the recall of quality problems.

## 9 商标和商品名称的使用 Use of Trademark and Trade Name

除非获得 Segway Powersports 的书面授权, 否则乙方不得使用 Segway 商标及相关信息, 进行销售、推广、服务。

Without Segway Powersports' authorization, Party B cannot use Segway's trademark and its related info for marketing, promotion and service.

## 10 商情报告 Business Report

乙方应向甲方提供以下数据及信息:

Party B shall submit and provide the following data and information to Party A:

10.1 市场销售统计: 一年一次/按要求提供

Submit the sales statistics of the Territory to Party A as annually or as required.

10.2 代理市场各品牌的市场份额: 每季度一次

Submit market share of brands to Party A quarterly.

10.3 进销存报告: 每月 5 日前

Submit sales and inventory report to Party A before the 5th of each calendar month.

10.4 竞争对手分析: 市场份额, 产品, 定价等: 一年一次/按要求提供

Submit the Competitor Analyses report: market shares, products, pricing, etc. as annually or as required.

## 11 广告及费用 Advertising and Fees

在经销区域内必须对产品进行相关的广告宣传, 广告宣传的方式可以为展会、平面广告、网络等合理方式。

Party B shall conduct product-related advertising in the Territory, the form of which can be exhibition, printed ads, only ads, and other forms of media.

## 12 知识产权和保密 Intellectual Property Right and Confidentiality

12.1 甲方授权乙方在经销区域内在其与产品和服务的营销、销售、经销和提供相关的活动中使用“Segway”商标, 并且保证乙方在经销区域内从事上述活动不会导致侵犯第三方的商标、专利、版权或其它知识产权, 也不会导致乙方及任何代理商或二级分销商向第三方支付任何使用费, 或承担任何赔偿 责任。

Party A authorizes Party B to use the brand of “Segway” in the activities related to the marketing, sales, distribution and provision of its products and services within the distribution area, and guarantees Party B neither infringe brand, patent, copyright or other intellectual property of the third party when Party B takes up the above-mentioned activities within the distribution area, nor causes Party B or any agent or secondary distributors pay any charge for use to the third party, or assume any liability for damage.

12.2 一旦发现在经销区域内存在侵犯或潜在侵犯甲方知识产权的行为, 乙方应立即通知甲方, 并协助甲方采取措施(如: 索赔、诉讼等)保护双方的权益。

Once it is found that there is behavior of infringement or potential infringement of intellectual properties of Party A within distribution area, Party B shall notify party A immediately, and assist party A to take steps and

protect the rights and interests of both parties.

- 12.3 在本协议期限内以及在本协议到期或终止后, 未经对方事先书面同意, 任何一方不得以任何形式于任何时间向任何第三人泄露双方交易过程中知悉的保密信息。这些保密信息包括但不限于产品价格、技术参数、设计图、技术来源以及与产品有关的其它信息、与产品有关的知识产权、营销策略、营销方式、营销网络、信息管理、客户/代理商/二级分销商信息、促销计划、商务政策以及所有与本协议相关的具有商业价值的信息。

Within the time limit of this document as well after the document expires or terminates, any party shall not release the confidential information known from trading of both sides to any third party in any form at any time without beforehand the prior written consent of the other party. Such confidential information includes but not limited to product price, technical parameters, design drawings, technical sources and other information related to the products, intellectual property, marketing strategy, marketing method, marketing network, information management, information of client/agent/ secondary distributors, promotion plan, business policy related to the product, as well as all the information with business value related to this document.

### 13 管辖法律和仲裁 Governing Law and Arbitration

- 13.1 本协议的订立、效力、解释、履行和争议的解决均应适用中华人民共和国的法律（香港、澳门特别行政区和中国台湾地区法律除外）。

The conclusion, validity, explanation, performance and dispute resolution of this document and these terms and conditions are to be construed in accordance with the laws of the People's Republic of China with the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan being excluded.

- 13.2 任何源于、产生于或涉及本合同的争议应由双方通过友好协商解决。若不能通过协商解决争议, 则此争议应提交中国国际经济贸易仲裁委员会, 根据申请仲裁时该会现行有效的仲裁规则进行仲裁。仲裁地为北京。双方进一步确认并认可此仲裁裁决是终局的, 对双方都具有约束力, 不再进行任何起诉, 同时仲裁裁决应对仲裁费用问题和其他所有有关事宜作出决定。仲裁裁决的执行将由有管辖权的法院进行。

Any disputes arising from, out of, or in connection with this document shall be settled through friendly consultations between the Parties. In case no resolution can be reached through consultations, the dispute shall be submitted to China International Economic and Trade Arbitration Commission (CIETAC) for arbitration which shall be conducted in accordance with its rules of in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. Both Parties further acknowledge and confirm that the arbitral award shall be final and binding upon all Parties, not subject to any judicial or non-judicial appeal; and shall deal with the question of costs of arbitration and all matters related thereto. Enforcement of the award rendered by the arbitrators maybe entered into by any court having jurisdiction thereof.

- 13.3 仲裁庭应由三（3）名仲裁员组成。申请人和被申请人各指定一（1）名仲裁员, 第三名仲裁员由双方共同指定。如在争议提交仲裁后的六十（60）日内, 任何一方未能指派其仲裁员或第三名仲裁员, 则该方的仲裁员或第三名仲裁员应当由中国国际经济贸易仲裁委员会指派。

The arbitration tribunal shall be consisted of three (3) arbitrators. The applicant and the respondent shall each specify an (1) arbitrator respectively and the third arbitrator shall be specified by both parties. If any party has not specified its arbitrator or the parties fails to appoint a third arbitrator within sixty (60) days after the dispute is submitted to arbitration, then the arbitrator of this party or the third arbitrator shall be designated by CIETAC Court of Arbitration.

本协议经有关双方如期签署后生效，有效期从 2021 年 7 月 15 日至 2026 年 7 月 14 日。  
有效期满前三个月内，双方应就续约事宜另行讨论。如果中英文有冲突，以英文为准。

This document will go into effect after signed by related both sides, period of validity is from 15th July, 2021 to 14th July, 2026.

Within three months before the expiry of the document, the two parties shall start discussion about the renewal of the document. In case of conflict between Chinese and English, the English version shall prevail.

Party A (甲方): Segway Technology Co., Ltd.

Printed Name:

Title: **赛格威科技有限公司**  
**SEGWAY TECHNOLOGY CO., LTD**

(Signature 签字)



Party B(乙方): 2833713 Ontario Inc.

Legal Representative Printed Name:

Title: **CEO**

(Signature 签字)



# APPENDIX E



# MOU between Segway and Oasis

## 备忘录

Party A: Segway Technology Co., Ltd

Party B: 2833713 Ontario Inc. (OASIS GLOBAL INC as the non-exclusive agency)

Party A and Part B had a friendly meeting in Segway factory in Changzhou, China and reach an agreement on below points:

1. 双方确定 2023 年的销售目标为 774 台 , 2024 年的销售目标为 2850 台  
Party A and Party B agree to set the annual purchase target 774 unit in the rest of 2023 and 2850 units in 2024.
2. 甲方给与乙方支持额度 \$600,000 美元 , 用于一次性处理所有历史问题, 包括但不限于批量索赔、车辆回购、拆车件、支持政策等等, 该支持额度仅限于购买配件。甲方将立即释放 30 万美元, 9 月释放 20 万美元, 2023 年 Q4 释放 10 万美元。

Part A agrees to offer Party B \$600,000usd (say Six Hundred Thousand US Dollar) as credit support for all the past historical problems and questions including but not limit to bulk credit, buyback, freight, donor bike, parts credit support, door ship, unsellable units, obsolete parts, demurrage, etc. This support credit can be used to buy spare parts and accessories. The first 300,000usd can be released immediately. The second 200,000usd can be released in September. The last 100,000usd can be released in Q4, 2023. After Party's B check on spare parts shipped by Party A, Party B will draw down on the above credit.

3. 乙方应提供 293 万美元的回款计划, 其中 180 万美元的信用证需要立即回款, 同时提供剩余 113 万美元的回款计划。

Party B should offer your payment plan for balance due 2,930,000 usd more. The exact amount is as per the invoice value. Party B should offer relative necessary documents required by LC 1,800,000USD for bank to release the balance and also offer plan for rest balance.

4. 乙方同意甲方关于 AT5 和 UT10 双排的定价策略  
Party B should agree to Party A's MSRP strategy for AT5 and UT10 Crew.
5. 甲方给予乙方 150 万美元的放账额度, 为提单日起 90 天, 在 180 万美元信用证回款后分批释放; 剩下 113 万美元 2024 年 Q1 前支付完。

Party A will offer 1,500,000USD (Say US Dollar One million and Five Hundred Thousand) for 90 days balance payment term from BOL date for only AT5 and UT10 Crew after 1,800,000 LC payment is paid. The rest 1,130,000USD can be paid in 2024 Q1.

6. 在无合理理由的前提下, 如果乙方未能完成以上既定销售目标和不能按时付款, 甲方有权解除合作, 并提前 3 个月通知。甲方在收到乙方订单时, 需确认交期, 按时交货。交货方式为 FOB, 甲方保证货物在 FOB 下是可卖的, 不可抗力除外。

In the premise of no rational and acceptable reasons, if Party B cannot meet the above set purchase



target and cannot fulfill the balance payment requirement, Party A is entitled to stop cooperation and terminate the exclusive agreement and inform Party B THREE months advance notice. Party A will confirm lead time when Party B places order to Party A. The delivery term is FOB and Party A will guarantee the goods are sellable under FOB basis and except for force majeure applied to both parties.

7. 如果乙方在规定的账期内未能履行付款义务，甲方有权停止发货，追索货款，直到货款到账后再考虑是否继续合作

If Party B cannot finish payment obligation in required payment term, Party A is entitled to stop delivery any products including but not limited to vehicle and parts. Party A will use whatever the way it is to take back balance due until the payment is made before business is continued.

8. 乙方执行的任何市场支持行为，包括但不限于拆车、回购、赠送、折扣等，如需甲方支持，需提前告知并获得甲方书面同意，否则甲方不承担由此产生的任何费用。

All marketing actions or behaviors made by Party B including but not only to donor bike, buyback, discount, etc, if needs support from Party A, Party B should inform Party A for written confirmation or Party A will not bear any cost arisen.

9. 配件订购、质量索赔均须按 DMS 的要求执行；

All parts purchase, claim should be operated in DMS.

10. Oasis 与 Segway 签订服务协议和索赔协议；

Party A and Party B will sign service and warranty agreements.

11. 2023.3.30 前所有索赔一次性结清，后续不能再提交,并且后期严格按索赔协议规定执行索赔程序，保证索赔的真实性和及时性，Segway 不再接受任何非 DMS 系统内的索赔；

Both Parties agree all warranties before March 31<sup>st</sup>, 2023 is all cleared and Party B will not claim any warranty again for those before this date.

12. 任何对市场的服务支持首先属于乙方的权责，如需甲方承担，需提前报备给甲方，并获得甲方的书面同意后，甲方才会承担支付相关费用；

If any service made by Party B in Canadian market needs money support from Party A, Party B should ask for written permission from Party A or Party A will not bear any cost arisen from these services.

Party B should follow Party A's requirement and procedures for warranty claim in DMS and make sure the claim is true and in time. Segway does not accept any warranty not made in DMS.

13. 售后配件货款结清并断点处理，售后件下单务必是慎重的严肃的，一定注意支付方式，不可随意改变支付方式，正常支付就是需要付款，索赔额度支付就是无需付款但需额度足够；

When Party B orders spare parts in DMS, they should pay much attention on the PAYMENT MODE. It is not allowed to select randomly. If you select normal payment, it is treated as normal order and should be paid. If you select warranty payment if your credit is enough in the DMS, it needs no payment again.

14. 乙方务必保证售后件款项的及时性并配合每月对账。

Party B should pay spare parts or accessories in time and both Parties shall make reconciliation monthly.

15. 甲方将提供售后（备件、索赔、系统、技术等）培训，乙方需接受培训。

Party A will offer aftersales training and Party B shall accept this.



16. 乙方必须配合甲方处理社媒舆情以保证 Segway 品牌和用户满意度

Party B should cooperate with Party A to deal with social media problems to ensure Segway brand and user satisfaction.

17. 召回行动需要加速推进，给出推进计划并且实际进度和计划误差在合理水平内。

All recalls should be accelerated and planned to make sure actual progress and plan is under reasonable deviation.

18. Segway 针对技术升级车辆会一比一发放技术升级包，Oasis 需按量给与经销商，避免后期经销商进行技术升级缺失该技术升级包。

Segway will offer technical upgrade package if necessary. Party B shall offer to dealers accurately in case of any missing or mistake.

19. 如以前签署的任何协议与本协议有冲突的地方，以本协议为准；

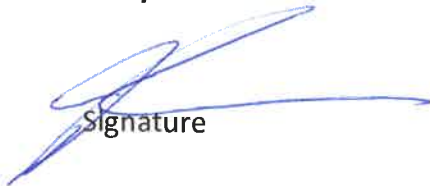
If any conflict between this MOU and previous agreement or MOUs, this MOU prevails.

**Party A: Segway Technology Co., Ltd**

Signature 

Date

**Party B: 2833713 Ontario Inc. (OASIS GLOBAL INC as the non-exclusive agency)**

  
Signature

Date



# APPENDIX F

# MOU

Party A: Segway Technology Co., Ltd

Party B: 2833713 Ontario Inc. (Oasis Global Inc. is the non-exclusive sales agent for Party B)

Attendee: Mark Rivers, Steve Chen, Jonas Shao, Danny Xiang, Young Yang

Date: February 10<sup>th</sup>, 2023

Location: Meeting Room in 3<sup>rd</sup> Floor, Segway Technology Plant

Both Parties had a friendly discussion and reached an agreement on recall, marketing and sales with details as below:

For **recalls** of heat shield, CVT, air filter and EPS, both Parties reached below agreement and Party A will offer USD150,000 (Total One Hundred Fifty Thousand US Dollar) credit to Party B who shall be responsible for all above-mentioned recall actions and take care of the customers in Canada including but not limited to notification, replacement and problem solving raised by recalls. Party A will not bear any responsibility for any problem caused by these recall actions.

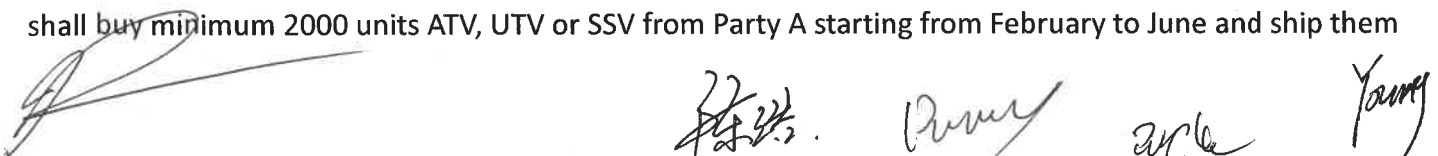
This recall credit will be released ahead to the Party B's account in DMS system that Party B can use this credit to buy spare parts or accessories.

**Marketing Support:** Party A will offer USD30,000 (Total Thirty Thousand US Dollar) to Party B as support. This marketing support will be only released USD10000 (Total Ten Thousand US Dollar) to Party B in advance. The other USD5000 (Total Five Thousand US Dollar) will be released once the activity starts. The rest USD15000 (Total Fifteen Thousand US Dollar) will be released to Party B after Party B reaches the purchase target from by Party A below. Party B shall clear the payment for the units bought from Party A. Party B shall offer Party A the activity information including but not limited to description, pictures, audience, performance, feedback. Part B shall develop another 22 dealers from now till June, 2023

**Purchase Support:** Party A will offer USD70,000 (Total Seventy Thousand US Dollar) to Party B as support. This purchase support will be only released to Party B once Party B reaches the purchase target set by Party A below. Party B shall clear the payment for the units bought from Party A.

This Purchase Support will be released by 3 stages which are 25%, 25% and 50% for total purchase order. When Party B buys 25% of total purchase quantity, Party A will release 50% of 25% of total purchase order firstly after 30% down payment is finished and the rest will be released after the balance payment is done. For example, Party A will release  $70000 * 0.25 * 0.5 = 8750$  USD after Party B pays 30% down payment of 500 units. The rest will be released after 70% down payment is arranged and cleared.

Both Parties agree to set the minimum purchase target of 2000 units from February to June, 2023. Party B shall buy minimum 2000 units ATV, UTV or SSV from Party A starting from February to June and ship them



out from Party A. Party B shall also finish the payment for this 2000 units purchase orders. The division of this 2000 units is as below

Month	February	March	April	May	June
Quantity	250 units	300 units	450 units	450 units	550 units

Party A will deliver the units in time and will work together to ensure to offer two Crew Fugleman demo to Party B.

2833713 Ontario Inc.

Mark Rivers

Segway Technology Co., Ltd

Steve Chen, Jonas Shao, Danny Xiang, Young Yang

## 备忘录

甲方: Segway Technology Co., Ltd

乙方: 2833713 Ontario Inc. (Oasis Global Inc. is the non-exclusive sales agent for Party B)

与会人员: Mark Rivers, Steve Chen, Jonas Shao, Danny Xiang, Young Yang

日期: 2023 年 2 月 10 日

地点: 赛格威科技工厂三楼会议室

双方通过友好沟通, 就召回、市场、销售达成以下协议:

关于隔热板、CVT/空滤、EPS 的召回, 双方达成如下协议; 甲方会提供壹拾伍万美元的信用额度给乙方。乙方负责以上召回行动, 负责加拿大客户, 包括但不限于召回通知、更换和问题解决。甲方不会负责召回行动引起的任何问题的责任。

本召回信用额度会提前释放到乙方的在 DMS 的账户, 乙方可以适用此额度购买配件和售后市场件;

**市场支持:**甲方提供乙方叁万美元作为支持。此市场支持先释放 1 万美元给乙方, 第二笔 5000 美元在活动开始后释放。第三笔 1.5 万美元在乙方完成甲方要求的采购目标后释放。乙方需结清从甲方购买的车辆的款项。乙方需要提供甲方活动信息, 包括但不限于活动介绍, 照片, 受众, 效果等。

**采购支持:**甲方提供乙方柒万美元作为支持。本采购支持仅会在乙方完成甲方制定的采购目标后释放给乙方。乙方需结清从甲方购买车辆的款项。



采购支持分 3 阶段执行，分别为总订单的 25%，25%和 50%。当乙方采购总订单的 25%并支付 30% 预付款后，甲方释放 25%支持部分的 50%给乙方，剩下部分再尾款付清后释放。比如，甲方在收到乙方 500 台订单的 30%预付款后，即释放 8750 美元，剩下部分在收到 70%尾款后释放。

双方同意 2023 年 2 月到 6 月的最小采购目标为 2000 台。乙方需要在 2023 年 2 月-6 月从甲方至少采购 2000 台 ATV, UTV 或 SSV，并完成发运。乙方需结清此 2000 台采购订单的货款。具体分到每月的采购数量如下：

月	二月	三月	四月	五月	六月
数量	250 台	300 台	450 台	450 台	550 台

甲方会保证按时发货，并提供两台 UTV 双排样车给乙方。

2833713 Ontario Inc.

Mark Rivers



Segway Technology Co., Ltd

Steve Chen, Jonas Shao, Danny Xiang, Young Yang



# APPENDIX G



**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.

陈冰

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.

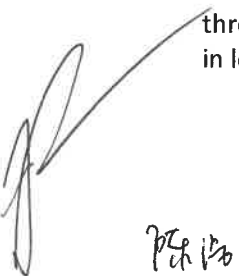
#### 4. Prevailing Language and Jurisdiction

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 and 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]



陈洛

- 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。



Handwritten signature and initials, likely representing Party A or Party B, located at the bottom left of the page.

- 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.

2833715 Ontario Inc.



11-02-2023

CEO

Segway Technology Co. Ltd.

John

Sales Director

2023.2.11

# APPENDIX H

THIS LEASE made as of the 15<sup>th</sup> day of December, 2014.

**B E T W E E N:**

**MARK RIVERS**, an individual residing in the Village of Baltimore, In the Province of Ontario

(the "Landlord")

- and -

**MILL VALLEY PRIVATE RESERVE LP**, a limited partnership formed in accordance with the *Limited Partnership Act* (Ontario)

(the "Tenant")

## ARTICLE I

### INTERPRETATION

#### Section 1.01 Definitions

In this Lease:

"Additional Rent" means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent) whether or not the same are designated "Additional Rent" or whether or not the same are payable to the Landlord or otherwise. All Additional Rent shall be treated as rent, shall be payable and recoverable as rent and shall be payable in lawful money of Canada without deduction, abatement, set-off or compensation whatsoever.

"Basic Rent" means the rent payable by the Tenant pursuant to Section 3.02 Basic Rent.

"Business" has the meaning ascribed to it in Section 8.01 Use.

"Business Day" means a day other than a Saturday, Sunday or any day on which the principal commercial banks located at Toronto, Ontario are not open for business during normal banking hours.

"Business Taxes" has the meaning ascribed thereto in Section 4.03 Business Taxes.

"Commencement Date" means the date on which the Term commences as set out in Section 2.02 Term.

"Costs of Operation" means, without duplication, all costs and expenses incurred by or on behalf of the Landlord and amounts paid by or on behalf of the Landlord with respect to and for the owning, insuring, promoting, equipping, supervising, servicing, policing, protecting, managing, administering, operating, maintaining, repairing, rebuilding, refurbishing and replacing of Leased Premises and without limiting the generality of the foregoing shall include the cost of goods and services supplied and used or incurred directly in the operation and maintenance of the Leased Premises, the cost of insurance as set out in Section 10.06 Landlord's Insurance, all costs in respect of any heating, ventilating and air conditioning or other equipment and fuel, energy and other costs of providing heat, ventilation and air conditioning, the cost of providing hot and cold water, the cost of electricity, depreciation or amortization (in accordance with Canadian generally accepted accounting principles) of all capital costs, expenses, repairs or replacements including maintenance equipment which by

nature requires periodic replacement such as heating, ventilating and air conditioning equipment (whether such costs were incurred during or before the commencement of the Term), lighting, garbage removal, pest control, landscaping, window cleaning, paving and re-paving of cemented areas, such as driveways, maintenance of gravel walkways and driveways, roof repairs, security, snow and ice removal, the cost of non-capital repairs and improvements (except costs, expenses, repairs or replacements to the extent necessitated by inherent or structural defects or weaknesses, improper materials or workmanship or faulty constructor or design, all of which shall be included in Costs of Operations) and the Landlord's management fee of fifteen percent (15%) of the Costs of Operation; provided, however, that notwithstanding the foregoing, Costs of Operation shall exclude the following:

- (a) any undepreciated or unamortized costs, expenses, repairs or replacements which are considered to be capital expenses in accordance with generally accepted accounting principles;
- (b) any income taxes or any other taxes personal to the Landlord;
- (c) costs for which the Landlord is reimbursed by insurance proceeds or by other tenants of the Leased Premises; and
- (d) any payments of principal and interest to be made on any Mortgage.

"Health Emergency" mean a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health official, police, or other Governmental Authority, that anyone in the Leased Premises is or may be exposed in or at the Leased Premises to imminent danger from any diseases, viruses or other biological or physical agents that may in any way be detrimental to human health, including acts or threats of violence from animals or individuals on the Leased Premises.

"Lands" means those lands situate at 101 Rolph Rd., in the Village of Baltimore, in Northumberland County, in the Province of Ontario, more particularly described in SCHEDULE "A" attached hereto, and the buildings situated thereon including all improvements, equipment, facilities, installations, systems and services which serve or are for the benefit of the Lands together with any additions, deletions, alterations and improvements made thereto from time to time. The Landlord may, from time to time, at its sole discretion, amend the Land, including, without limitation, its description or area.

"Leased Premises" means those premises located at 101 Rolph Rd., in the Village of Baltimore, in Northumberland County, in the Province of Ontario, as outlined in red on SCHEDULE "B" attached hereto which contain an estimated Rentable Area of 331.531 acres, and such areas outlined in blue on SCHEDULE "B" attached hereto shall be excluded from the Leased Premises.

"Leasehold Improvements" means all fixtures (other than Trade Fixtures), improvements, installations, alterations and additions from time to time made, erected or installed in the Leased Premises, whether by the Landlord or by the Tenant and whether before or after the Commencement Date, including all interior walls, partitions and doors, all floors and all affixed floor and wall coverings, ceilings and all lighting fixtures and all climate control, electrical, water, gas, sewage, telephone and other equipment, facilities and systems installed or located within the Leased Premises.

"Licence" has the meaning ascribed to it in Section 17.04 Grant of Licence.

"Management Company" means Mill Valley Properties Inc., a company designated by the Landlord for the purpose of managing, operating, and maintaining the Leased Premises, on behalf of the Tenant, in accordance with the terms of this Lease, and



operating the Business, which is more particularly described herein this Lease.

"Mortgage" means any and all mortgages, charges, debentures, security agreements, trust deeds, hypothecs or like instruments, including by way of assignment or sublease, resulting from financing, refinancing or collateral financing (including renewals, modifications, consolidations, replacements and extensions thereof) from time to time affecting the Landlord's interest in the Leased Premises (whether or not affecting other premises as well).

"Mortgagee" means any mortgage holder of or secured party under any Mortgage and includes any trustee under a deed of trust.

"Person" means any person, firm, partnership or corporation, or any group or combination of persons, firms, partnerships or corporations.

"Prepaid Rent" has the meaning ascribed to it in Section 3.06 Prepaid Rent.

"Prime Rate" for any day means the prime lending rate of Toronto Dominion Bank at Toronto, Ontario, established from time to time as the reference rate of interest in order to determine the interest rate it will charge for demand loans in Canadian funds to its Canadian customers.

"Rent" means the aggregate of Basic Rent and Additional Rent.

"Rentable Area" means the acreage of the Leased Premises.

"Sales Taxes" has the meaning ascribed to it in Section 1.03 Sales Taxes.

"Taxes" means all real property taxes, rates, duties and assessments (including local improvement taxes) impost charges or levies, whether general or special, that are levied, rated, charged or assessed against the Lands or any part thereof from time to time by any lawful taxing authority, whether federal, provincial, municipal, school or otherwise, and any taxes or other amounts which are imposed in lieu of, in substitution for, or in addition to any such real property taxes whether of the foregoing character or not and whether in existence at the Commencement Date or not, and any such real property taxes levied or assessed against the Landlord on account of its interest in the Lands or any part thereof, or its ownership thereof, as the case may be. "Taxes" shall also include any and all interest penalties or like charges payable as a result of failure of the Tenant to pay all Taxes promptly when due.

"Tenant's Work" has the meaning ascribed to it in SCHEDULE "C" attached hereto.

"Term" means the term of this Lease as it is set out in Section 2.02 Term and any extension or renewal thereof.

"Total Rentable Area of the Lands" means the aggregate of the Rentable Area of all premises on the Lands intended by the Landlord to be leased to the Tenant (whether actually leased or not). As of the date of this Lease, the Total Rentable Area of the Lands is 331.531 acres.

"Trade Fixtures" means all chattels, furniture, machinery and equipment necessary for the conduct of the Business, but does not include any Leasehold Improvements.

"Transfer" has the meaning ascribed to it in Section 9.01 Consent Required.

"Transferee" has the meaning ascribed to it in Section 9.01 Consent Required.

### **Section 1.02 Net Lease**

This Lease shall, except as otherwise provided for herein, be a completely carefree net lease

for the Landlord, and the Tenant shall pay for its own account and to the complete exoneration of the Landlord all costs, expenses, charges or outlays of any kind arising from, relating to or affecting the Leased Premises, except all amounts specifically payable by the Landlord or recoverable from third parties pursuant to the terms hereof.

### **Section 1.03 Sales Taxes**

Despite any other section, paragraph or clause of this Lease, the Tenant will pay to the Landlord an amount equal to all goods and services taxes, sales taxes, value added taxes, business transfer taxes or any other taxes imposed on the Landlord with respect to Rent payable by the Tenant to the Landlord, whether characterized as a goods and services tax, harmonized sales tax, sales tax, value added tax, business transfer tax, or otherwise (herein called "Sales Taxes"), it being the intention of the parties that the Landlord will be fully reimbursed by the Tenant with respect to any and all Sales Taxes at the full tax rate applicable from time to time in respect of the Rent or the Leased Premises without reference to any tax credits available to the Landlord. The amount of the Sales Taxes so payable by the Tenant will be calculated by the Landlord in accordance with the applicable legislation and will be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease or upon demand at such other time or times as the Landlord from time to time determines. Despite any other section, paragraph or clause in this Lease, the amount payable by the Tenant under this Section will be deemed not to be Rent, but the Landlord will have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent.

### **Section 1.04 Binding Effect**

- (a) In the event of a sale, transfer or lease by the Landlord of the Leased Premises or an assignment by the Landlord of this Lease or any interest of the Landlord hereunder, the Landlord shall thereupon and without further agreement be released from all liability upon such covenants and obligations.
- (b) Subject to paragraph (a) and to the provisions of this Lease respecting assignment by the Tenant, this Lease shall be binding upon and shall enure to the benefit of the parties and their respective successors and assigns.

### **Section 1.05 Construction**

- (a) Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.
- (b) The captions or headings introducing articles or sections of this Lease are for convenience of reference only and in no way define, limit, construe or describe the scope or intent of such articles or sections nor in any way affect the interpretation of this Lease.
- (c) The words, "herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter" and similar expressions refer to this Lease and not to any particular article, section, paragraph or other portion thereof, unless there is something in the subject matter or context inconsistent therewith.
- (d) Any reference to "Tenant" includes, where the context allows, the servants, employees, agents, invitees and licensees of the Tenant, anyone permitted to be in the on the Lands by the Tenant and all other over whom the Tenant may reasonably be expected to exercise control.
- (e) All rights and privileges of the Landlord in this Lease may be exercised by the Landlord and its duly authorized representatives.
- (f) If any term, provision, covenant or condition of this Lease or its application to any Person or circumstance is held to be or rendered invalid, unenforceable or illegal,

then such term, provision, covenant or condition shall be considered separate and severable from the remainder of this Lease, shall not affect, impair or invalidate the remainder of this Lease and to the fullest extent permitted by law shall continue to be applicable to and enforceable against any Person or circumstance other than those as to which it has been held or rendered invalid, unenforceable or illegal.

- (g) Wherever the singular number or a gender is used in this Lease the same shall be construed as including the plural and the masculine, feminine and neuter respectively where the fact or context so requires.
- (h) This Lease shall be construed in accordance with and governed by the laws of the Province of Ontario.
- (i) Time is of the essence of this Lease.
- (j) If there is at any time more than one Tenant or more than one Person constituting the Tenant, their covenants shall be considered to be joint and several and shall apply to each and every one of them. If the Tenant is or becomes a partnership, each Person who is a member, or shall become a member, of such partnership or its successors shall be continue to be jointly and severally liable for the performance of all covenants of the Tenant pursuant to this Lease whether or not such Person ceases to be a member of such partnership or its successors.

#### **Section 1.06 Entire Agreement**

This Lease and the schedules and riders, if any, attached hereto and forming a part hereof, constitute the entire agreement between the Landlord and the Tenant and, except as herein otherwise expressly provided, may be amended only by an agreement in writing signed by them. Neither the Landlord nor the Tenant shall be bound by any representations, warranties, promises, agreements or inducements not embodied or referred to in this Lease and, in particular but without limitation, no warranties of the Landlord are to be implied unless expressed specifically in this Lease. If there is any discrepancy between the provisions of this Lease and the terms and provisions of the Offer to Lease signed by the Landlord and the Tenant for the Leased Premises, then the terms and provisions of this Lease shall prevail.

### **ARTICLE II GRANT AND TERM**

#### **Section 2.01 Grant**

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, kept, observed and performed, the Landlord leases to the Tenant and the Tenant leases from the Landlord the Leased Premises.

If necessary, the Landlord shall measure the Rentable Area of the Leased Premises and the Total Rentable Area of the Lands as soon as reasonably possible after the degree of completion of construction of the Leased Premises and the Lands required for such determination and the definitions of the Leased Premises and the Total Rentable Area of the Lands shall be amended accordingly. All Rent shall be adjusted accordingly which adjustment will be retroactive to the Commencement Date if the actual measurement does not occur until after the Commencement Date. A certificate of an architect named by the Landlord as to the area of all of any part or parts of the Lands, including the Leased Premises, the degree of completion of any work or repairs or the cost thereof, and the readiness of the Leased Premises for the Tenant to carry out the Tenant's Work shall, unless otherwise provided in this Lease, be final and binding upon the parties hereto as to the facts so certified.

#### **Section 2.02 Term**

The term of this Lease (the "Term") shall be for a period of five (5) years. The date of commencement of the Term shall be January 1, 2014 (the "Commencement Date") and the lease

shall terminate on December 31, 2018.

### **Section 2.03 Option to Renew**

- (a) Provided that the Tenant duly and regularly pays all Rent at the times prescribed herein and performs all covenants, provisos and agreements on the part of the Tenant to be paid and performed herein, and provided that the Tenant is not then in default under the terms of this Agreement, the Tenant shall have the option to renew this Lease for one additional term of three (3) years subject to the following additional terms and conditions:
- i. The Tenant shall exercise its right of renewal by delivering to the Landlord, in writing, notice of the Tenant's intention of renewal not more than one nine (9) months, and not less than six (6) months, prior to the date of completion of the Term, failing which the Tenant's rights of renewal shall be deemed to be null and void.
  - ii. Basic Rent to be paid by the Tenant during the additional term shall be negotiated and mutually agreed upon by the Landlord and the Tenant and shall be based upon the then current fair market minimum rent for similar premises for a similar use within the immediate vicinity of the Centre; failing agreement by the parties within three (3) months prior to the commencement of the additional term, the Basic Rent rate shall be determined by a single arbitrator in accordance with the *Arbitration Act, 1991, SO 1991, c 17* (as amended or replaced from time to time). If submitted to arbitration in accordance with the foregoing provisions, the arbitrator's decision shall be final and binding on the parties with no further appeal and the costs of the arbitration shall be shared equally by the parties unless the arbitrator determines that it is equitable to do otherwise in light of the circumstances. If the arbitration decision is not rendered prior to the commencement date of the additional term, the Tenant shall pay the Basic Rent at the rate applicable during the last year of the initial Term and within ten (10) days after the Basic Rent for the additional term is determined, the Tenant shall pay to the Landlord any amount retroactively owing from the commencement of the additional term.
  - iii. The Tenant's Option to Renew hereunder is personal to the Tenant and automatically expires on any Transfer or parting with possession of all or any part of the Leased Premises whether or not the same is with the consent of the Landlord.

### **Section 2.04 Overholding**

If, without objection by the Landlord but without any further written agreement, the Tenant continues to occupy the Leased Premises and to pay Rent or other monies payable by the Tenant hereunder after the expiration of the Term, the Tenant shall be a monthly tenant and otherwise a tenant at sufferance only at a monthly Basic Rent equal to twice the monthly instalments of Basic Rent payable on the last monthly payment date during the Term and on the terms and conditions herein set out in so far as the same are applicable, except as to length of tenancy.

### **Section 2.05 Planning Act**

This Lease is entered into subject to the express condition that the provisions of the *Planning Act* (Ontario) as amended and in force from time to time, with respect to subdivision control, shall be complied with. If the Term (including renewals provided in this Lease) extends for a period of 21 years or more and a consent is required under the *Planning Act* to comply with the subdivision control provisions and if this consent has not been obtained within ninety (90) days from the date of commencement of the Term of this Lease, the parties agree to treat this demise as a lease for not more than 21 years less one (1) day on the same terms and conditions, save and except as to the Term (including renewals) of the demise. The Tenant shall have the right at any time during the 21 year period to apply at its own expense for a consent to extend the Term (including renewals) to the

original length provided for in this Lease.

## **ARTICLE III RENT**

### **Section 3.01 Covenant to Pay**

During the Term the Tenant hereby covenants with the Landlord to pay Rent as herein provided.

### **Section 3.02 Basic Rent**

The Tenant shall pay to the Landlord as Basic Rent in Canadian funds without any prior demand therefor and without any deduction, abatement, set-off or compensation whatever. Basic Rent payable per annum by the Tenant shall be equal to six percent (6%) of the market value of the Lands. Market value of the Lands shall be determined by an independent real estate evaluator, per annum, and such evaluation shall be completed no later than ninety (90) days prior to each one (1) year anniversary date of this Lease. For the first year of the Term, the Lands have a market value of **TWO MILLION DOLLARS (\$2,000,000.00)**. During the first twelve (12) months of the Term, Basic Rent shall be **ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000.00)**, plus Sales Taxes per annum, in equal monthly instalments of **TEN THOUSAND DOLLARS (\$10,000.00)** plus Sales Taxes, each payable in advance on the first day of each calendar month during the Term, based upon a rate of \$361.96 per acre per annum.

### **Section 3.03 Additional Rent**

The Tenant shall pay Additional Rent to the Persons, at the times and in the manner hereinafter set forth. Where the calculation of any Additional Rent is not made until after the termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination of this Lease.

### **Section 3.04 Place of Payment**

The Tenant shall make all payments of Basic Rent and any payments of Additional Rent required to be paid to the Landlord by this Lease by way of cheque payable to the Landlord (or to such other person as the Landlord may hereafter designate by notice in writing to the Tenant) and all such payments shall be delivered or sent to the address of the landlord specified herein (or to such other person or address as the Landlord may hereafter designate).

### **Section 3.05 Overdue Rent**

If the Tenant fails to pay any Rent when the same is payable or any other amounts required to be paid to the Landlord by this Lease, such unpaid amounts shall bear interest from the due date thereof compounded monthly to the date of payment at a rate per annum five (5%) per cent in excess of the Prime Rate from time to time in effect, and the Landlord shall have all remedies for the collection of such interest, if unpaid after demand, as in the case of Rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedies of the Landlord under this Lease. In addition, the Tenant shall pay to the Landlord a fee of two hundred and fifty dollars (\$250.00) for each late payment occurrence.

### **Section 3.06 Prepaid Rent**

Upon execution of this Lease, the Tenant shall deliver to the Landlord a deposit of \$20,000.00 (the "Deposit"), to be held in trust as security for the faithful performance by the Tenant of all the terms, covenants and conditions of the Lease and to be applied to Rent and Sales Taxes for the last month of the Term for which Rent is payable, and the balance, if any, to the first and second and subsequent months of the Term for which Rent is payable.

If the Tenant is in default under this Lease and the Landlord has given written notice to the Tenant to remedy such default within five (5) days and in the event that the Tenant fails to remedy

such default within the said five (5) days, then the Landlord shall have the right to retain the Deposit as its absolute property in addition to any other right or remedy the Landlord may have.

The Deposit may be applied by the Landlord against any money owed to the Landlord by the Tenant. Upon receipt of notice from the Landlord, the Tenant shall replace any part of the Deposit applied by the Landlord so that the Deposit remains equal to the amount of Rent for the last month of the Term.

### **Section 3.07 Post-dated Cheques**

Upon execution of this Lease, the Tenant shall deliver to the Landlord post-dated cheques for Rent plus Sales Taxes, including estimated Additional Rent for each month of the first year of the Term for which Rent is payable. Throughout the Term, on or before each anniversary of the Commencement Date, the Tenant shall deliver to the Landlord twelve post-dated cheques for Rent plus Sales Taxes, including estimated Additional Rent, for the upcoming twelve-month period.

## **ARTICLE IV TAXES**

### **Section 4.01 Realty Taxes**

- (a) During the Term, the Tenant shall pay the Tenant's Proportionate Share of the Taxes for each year. The Tenant shall only be required to pay a proportionate part of the Tenant's Proportionate Share of the Taxes for any year which relates to a fiscal period of the taxing authority a part of which is included in a period prior to the Commencement Date or after the expiration of the Term.
- (b) The Landlord may, at its option, estimate the amount of the Tenant's Proportionate Share of Taxes for any year and the Tenant shall pay to the Landlord at the time that any monthly payment of Basic Rent is payable, one-twelfth of the Landlord's reasonable estimate of the Tenant's Proportionate Share of the Taxes. On the first day of the month next following the mailing of the tax bill or in which the Taxes for any given year can be determined, the Tenant shall pay to the Landlord the Tenant's Proportionate Share of the Taxes for the entire year after first receiving credit for the monthly payments of the estimated amount of the Tenants Proportionate Share of the Taxes for that year already paid to the Landlord. The Landlord shall, upon requesting payment of the balance of the Tenant's Proportionate Share of Taxes for the year, provide the Tenant with particulars of the calculation of the Tenant's Proportionate Share for that year. The Tenant shall not be entitled to interest on any payments on account of Taxes held by the Landlord prior to the payment thereof to the taxing authority.

### **Section 4.02 Separate Assessment**

Notwithstanding anything herein contained to the contrary, in the event that there is available to the Landlord from the relevant taxing authority a separate assessment and/or bill with respect to the Leased Premises for any of the Taxes referred to in Section 4.01 Realty Taxes, then the Landlord, at its option, may use such separate assessment and/or bill as the basis for establishing the Tenant's liability for any such Taxes. The Tenant will promptly deliver to the Landlord any such separate assessment and/or bill which may be received by the Tenant.

### **Section 4.03 Business Taxes**

- (a) In addition to the Taxes payable by the Tenant pursuant to Section 4.01 Realty Taxes, the Tenant shall pay as Additional Rent to the lawful taxing authorities and shall discharge when the same become payable all taxes, rates, duties, assessments and licence fees whatsoever, whether general or special, whether federal, provincial, municipal or otherwise, that are levied, rated, charged or assessed against or in respect of the use and occupancy of the Leased Premises or any business carried on at or from the Leased Premises, or the improvements, equipment and facilities on or in

the Leased Premises ("Business Taxes"), and the Tenant will indemnify and keep indemnified the Landlord from and against payment of and all loss, costs, charges and expenses occasioned by or arising from any and all such taxes, rates, duties, assessments and licence fees.

- (b) The Tenant shall pay to the Landlord its Proportionate Share of any Business Taxes which may be levied or assessed against the Common Areas and the provisions of Section 4.01 Realty Taxes and Section 4.02 Separate Assessment shall apply mutatis mutandis to any such Business Taxes.
- (c) Upon written request by the Landlord, the Tenant shall deliver promptly to the Landlord satisfactory evidence of the payment of all Business Taxes which were due and payable up to one (1) month prior to such request.

## **ARTICLE V UTILITIES AND COSTS OF OPERATION**

### **Section 5.01 Utilities**

The Tenant shall be solely responsible for and shall pay as same become due all charges for water, sewers, gas, electricity and any other public or private utilities or services supplied to or used or consumed at the Leased Premises and for equipment, fittings, machines, apparatus, meters or other things leased or purchased in respect thereof, including installation costs, and for all work performed by any corporation or commission in connection with any such utilities or services. In no event shall the Landlord have any obligation or liability in connection with cessation or unavailability or interruption or suspension or other failure in the supply of any such utility or service to the Leased Premises.

### **Section 5.02 Payment of Costs of Operation**

- (a) The Tenant shall pay to the Landlord the Tenant's Proportionate Share of Costs of Operation upon written demand therefor. Notwithstanding the Landlord's ability to require a payment of Costs of Operation upon demand, the Landlord may, before the commencement of each year or each fiscal period adopted by the Landlord, reasonably estimate the Costs of Operation for such period and so notify the Tenant, and the Tenant shall pay one-twelfth of its estimated Proportionate Share of the Costs of Operation with each monthly instalment of Basic Rent payable throughout that period (which monthly payments may be adjusted if the Landlord, acting reasonably subsequently re-estimates Costs of Operation for such period or the remaining portion thereof.) The Tenant shall not be entitled to interest on any payments on account of Costs of Operation held by the Landlord prior to the disbursement thereof.
- (b) The Landlord shall provide to the Tenant, within a reasonable period of time after the expiration of such period, a statement setting out the actual amount of the Costs of Operation for such period and the Tenant's Proportionate Share of the Costs of Operation and such statement shall show in reasonable detail the information relevant and necessary for the exact calculation and determination of these amounts and shall be binding upon the parties. Any balance unpaid or any excess paid shall be adjusted between the Landlord and the Tenant within a reasonable period thereafter.

## **ARTICLE VI MAINTENANCE, REPAIR AND ALTERATIONS OF THE LEASED PREMISES**

### **Section 6.01 Tenant's Repair**

The Tenant, at its sole cost and expense, shall repair, replace and maintain the Leased Premises together with all systems of any nature supplying services to the Leased Premises which are located in the Leased Premises, excepting only reasonable wear and tear, repairs necessitated by inherent or structural defects or weaknesses, improper materials or workmanship or faulty

construction or design and damage against which the Landlord is insured against or is required to be insured against pursuant to the terms hereof. Without limiting the generality of the foregoing, the Tenant shall keep the Leased Premises in such condition as a careful and prudent owner would do, including the replacement of electrical light bulbs, tubes, starters and ballasts.

### **Section 6.02 Non-Performance by Tenant**

If any repairs, replacements or maintenance which are required to be performed by the Tenant under the terms of this Lease are not performed when required, then the Landlord in its sole discretion shall be entitled, but not obligated, to perform such repairs, replacements or maintenance entirely at the cost of the Tenant, and the cost of the same shall be paid forthwith by the Tenant to the Landlord upon demand as Additional Rent.

### **Section 6.03 Health and Safety**

The Tenant shall accept responsibility for any conditions involving plant life, moisture, mildew, air quality, moulds, fungus, or other harmful organisms, bacterial infections, or viruses that may occur or that may be present within the Leased Premises and in particular, without limiting what is stated above, the Tenant shall:

- (a) promptly and fully report to the Landlord concerning any of the conditions described above in this clause (“Adverse Conditions”) of which it becomes aware or of which it should reasonably be aware based on a reasonable inspection;
- (b) promptly, in accordance with any governmental requirements that may apply, and in accordance with the requirements of the Landlord, take all those steps required to eliminate the Adverse Conditions, to remedy their consequences and to ensure that they do not recur within the Leased Premises;
- (c) maintain those records, test results and other information that the Landlord might reasonably require in connection with Adverse Conditions or the actions of the Tenant as provided above;
- (d) cooperate with the Landlord in connection with testing and inspections for Adverse Conditions within the Leased Premises as well as testing and inspections pertaining to Adverse Conditions in other parts of the Lands;
- (e) install at its cost filters, fans and other equipment required to avoid, eliminate and remove Adverse Conditions;
- (f) release the Landlord and those for whom the Landlord is responsible at law in respect of all claims for loss, personal injury, damage and other consequences, direct or indirect, resulting from Adverse Conditions regardless of how they are caused (whether or not due to negligence by the Landlord or those for whom the Landlord is responsible at law); and
- (g) indemnify the Landlord and those for whom the Landlord is responsible at law in respect of all losses, costs, claims, damages and expense relating to Adverse Conditions within the Leased Premises or that may be created or permitted by the Tenant within the Lands.

### **Section 6.04 Inspection**

The Landlord may upon not less than twenty-four (24) hours prior notice to the Tenant enter the Leased Premises and every part thereof at any reasonable time to inspect the condition thereof. Where an inspection reveals that the whole or any part of the Leased Premises is not being operated, kept or maintained as herein provided or that repairs or replacements are necessary, the Landlord shall give written notice to the Tenant and upon receipt of such notice the Tenant shall forthwith proceed to carry out all necessary work, repairs or replacements in a good and workmanlike manner and to the satisfaction of the Landlord so as to complete the same within the time or times stipulated in such notice. The failure by the Landlord to give such notice shall not relieve the Tenant from any of its obligations to operate, maintain, repair or replace in accordance with the provisions hereof. If the Tenant refuses or neglects to carry out promptly and to the reasonable satisfaction of the



Landlord any such work, repairs or replacements, the Landlord may, but shall not be obligated to, carry out such work, repairs or replacements without liability to the Tenant for any loss or damage which may occur to the Tenant's property or business by reason thereof, and in any such case the Tenant shall pay to the Landlord forthwith on demand as Additional Rent all sums which the Landlord may have expended in carrying out such work, repairs or replacements plus a further 15% of all such sums representing the Landlord's overhead. The carrying out of any work, repairs or replacements by the Landlord pursuant to this Section shall not be a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease. In the case of any emergency, the Landlord may enter upon the Leased Premises at any time without giving prior notice to the Tenant without breaching any covenant for quiet enjoyment contained in this Lease.

#### **Section 6.05 Compliance with Fire and Other Regulations**

The Tenant shall, at its sole cost and expense, comply, and cause those whom the tenant permits to occupy the Leased Premises or the Lands, with and conform to the requirements of all applicable statutes, laws, by-laws, regulations, licences, ordinances and orders from time to time in force during the Term and relating to or affecting the condition, equipment, maintenance, use or occupation of the Leased Premises, including any and all written rules, regulations, codes, standards, and procedures promulgated by the Landlord from time to time, and with any order, request or demand of any municipal fire department or other similar body or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term. Such work shall be performed by the Tenant forthwith upon demand, and failure of the Tenant to complete such work within a reasonable period of time after such demand shall entitle the Landlord to perform such work at the cost of the Tenant as specified in Section 6.04 Inspection.

#### **Section 6.06 Alterations**

The Tenant shall not make or permit to be made any Leasehold Improvements without obtaining the prior written approval of the Landlord, which approval shall not be unreasonably withheld, provided that the Tenant is not in default hereunder and has complied with the following conditions:

- (a) at the time of requesting the Landlord's approval, the Tenant shall submit to the Landlord detailed plans and specifications for such proposed Leasehold Improvements;
- (b) any proposed Leasehold Improvements shall meet the requirements of all governmental or other authorities, of fire insurance underwriters or insurers and of any Mortgagee;
- (c) any proposed Leasehold Improvements shall be such as will not, when completed, diminish the value or utility of the Lands or the Leased Premises;
- (d) no Leasehold Improvements shall be commenced until the Tenant shall have obtained all building and other permits required by any lawful authority;
- (e) all Leasehold Improvements approved by the Landlord shall be constructed expeditiously by the Tenant in a good and workmanlike manner, as the case may be, and in compliance with the detailed plans and specifications which have been approved by the Landlord; and
- (f) prior to the commencement of construction of any Leasehold Improvements, the Tenant shall effect and produce to the Landlord evidence of public liability, property damage and fire insurance policies relative to such construction written in the joint names of the Landlord and Tenant as insureds in amounts and form and with insurers acceptable to the Landlord acting reasonably.

#### **Section 6.07 Leasehold Improvements**

Any Leasehold Improvements shall immediately upon placement become the property of the

Landlord and form part of the Leased Premises without compensation therefor to the Tenant, but the Landlord shall be under no obligation to maintain, repair or replace the Leasehold Improvements. No Leasehold Improvements shall be removed from the Leased Premises either during or at the expiration or other termination of the Term provided that the Tenant shall, at such expiration or other termination, at its own cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed within a reasonable time after such expiration or termination and shall promptly repair any damage to the Leased Premises caused by their installation and/or removal. The Tenant's obligation to observe and perform this covenant shall survive the expiration or other termination of this Lease.

#### **Section 6.08 Construction Liens**

If any construction liens or orders for the payment of money shall be registered against the Leased Premises or the Lands by reason of any work, services or materials furnished for, to or on behalf of the Tenant, the Tenant shall within fifteen (15) days after notice to the Tenant of the registration thereof cause the same to be discharged by bonding, deposit, payment, court order or in any other manner required or permitted by law. The Tenant, at its own expense, shall defend all suits to enforce any such lien or order whether against the Tenant or the Landlord. The Tenant will indemnify the Landlord from and against payment of all loss, costs, charges or expenses occasioned by any such lien or order.

#### **Section 6.09 Acknowledgement of Tenant**

The Tenant acknowledges that the Leased Premises form part of the Lands and that the whole of the Lands may be served by common utility systems. In the event that repairs to any of such systems are necessary the Tenant shall bear its Proportionate Share of the total cost of such repairs. If any such common systems shall have been damaged or shall have become inoperative by reason of the negligence of the Tenant, then the entire cost of repairing the same shall be borne by the Tenant.

#### **Section 6.12 Tenant's Work**

The Tenant shall, at its sole expense, proceed diligently and complete the Tenant's Work necessary to bring the Leased Premises to a condition to operate the Business and open for business with as little delay as possible.

### **ARTICLE VII TRADE FIXTURES AND SURRENDER**

#### **Section 7.01 Trade Fixtures**

- (a) Subject to the provisions of Section 7.02 Surrender of Leased Premises, the Tenant shall have the right at all times to install its Trade Fixtures.
- (b) All Trade Fixtures shall be owned by the Tenant, shall be unencumbered and shall not be removed from the Leased Premises either during or at the expiration or other termination of the Term except that:
  - (i) the Tenant may in the usual and normal course of its Business, at its own cost, such of its Trade Fixtures which have become excess for the Tenant's purposes or which are being concurrently replaced with new and similar Trade Fixtures; and
  - (ii) the Tenant shall at the expiration or earlier termination of the Term remove, at its own cost, all of its Trade Fixtures;

provided that the Tenant shall not at the time of any such removal be in default under any covenant or agreement contained in this Lease and, if in default, the Landlord shall have a lien on such Trade Fixtures shall not be removed by the Tenant until such default is cured, unless otherwise directed by the Landlord. The Tenant shall

promptly repair any damage to the Leased Premises caused by the installation and/or removal of such Trade Fixtures. The Tenant's obligation to observe and perform this covenant shall survive the expiration or other termination of this Lease.

- (c) If the Tenant fails to remove any of its Trade Fixtures within a reasonable time after the expiration or other termination of the Term such Trade Fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Leased Premises and sold or disposed of by the Landlord in such manner as it deems advisable.

#### **Section 7.02 Surrender of Leased Premises**

Subject to the provisions of Section 6.07 Leasehold Improvements and Section 7.01 Trade Fixtures, at the expiration or other termination of the Term the Tenant shall peaceably surrender and yield up to the Landlord the Leased Premises in vacant, broom-swept condition, together with all Leasehold Improvements in as good order, condition and repair as the Tenant is required to maintain the Leased Premises under the terms of this Lease. The Landlord, at its option, may rectify any damage to the Leased Premises existing at the time of such surrender at the sole cost of the Tenant and the Tenant shall pay to the Landlord forthwith upon demand such cost as Additional Rent.

### **ARTICLE VIII CONDUCT OF BUSINESS BY TENANT**

#### **Section 8.01 Use**

The Tenant shall use the Leased Premises only for the purpose of operating (1) a first class hunting and shooting corporate/business retreat at which individuals can obtain hunting/gun licenses and partake in shunting and skeet/target shooting and (2) a site that hosts weddings, family reunions and corporate/team building retreats (the "Business") and will not use or permit the Leased Premises to be used for any other purpose, subject always to the overriding provisions of all relevant and applicable statutes, regulations, rules, ordinances, by-laws, licensing authorities, and enactments of any governmental authority governing such use. The Tenant shall at its own risk and expense obtain any and all governmental licences, permits and approvals necessary for such use, and cause any and all occupants of the Leased Premises to obtain any and all governmental licences, permits and approvals necessary for such use, and the Landlord makes no representations or warranties regarding the zoning of the Leased Premises.

The Tenant shall be responsible for maintaining the Leased Premises in a pristine condition, consist with the condition of other lands which are used for a similar business as the Business.

#### **Section 8.02 Waste and Nuisance**

- (a) Unless otherwise expressly permitted by applicable law and the Landlord's written rules, regulations, codes, standards, and procedures promulgated by the Landlord from time to time, the Tenant shall not commit, cause, allow, or suffer to be committed any waste to the Leased Premises and shall not do or omit to do or suffer to be done or omitted anything upon or in respect of the Leased Premises which shall be or result in a nuisance to the Landlord or to other tenants or occupants of the Lands. Without limiting the generality of the foregoing, the Tenant shall not:
  - (i) overload any floors in the Leased Premises;
  - (ii) install any equipment which will exceed or overload the capacity of any utility or the electrical or mechanical systems or facilities in or serving the Leased Premises; or
  - (iii) bring upon the Leased Premises any machinery, equipment, article or thing that by reason of its weight, size or use might, in the reasonable opinion of the Landlord, damage the Leased Premises.

- (b) In the event that the Tenant shall infringe any of the provisions of this Section 8.02 Waste and Nuisance and fail within forty-eight hours of notice by the Landlord to rectify, correct or remove the infringement, the Landlord may, but shall not be obligated to, enter upon the Leased Premises or elsewhere as may be necessary to rectify, correct or remove the infringement as the agent and at the cost of the Tenant, and the Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease. The Tenant shall indemnify and save harmless the Landlord from all claims, demands, loss or damage to any Person or property arising out of any such infringement or any such entry of the Landlord.

### **Section 8.03 Parking**

Parking at the Lands shall be unreserved and the Tenant's employees and agents shall park in the areas designated by the Landlord as employee parking and not in areas designated for customer parking.

### **Section 8.04 Hours of Operation**

The Tenant shall be open for business during such hours determined by the Landlord in its sole and absolute discretion; however, in no case will the Tenant be required to be open during hours that are not permitted by any applicable law.

## **ARTICLE IX ASSIGNMENT AND SUBLETTING**

### **Section 9.01 Consent Required**

The Tenant shall not:

- (i) assign this Lease in whole or in part;
- (ii) sublet the whole or any part of the Leased Premises; or
- (iii) suffer or permit the use or occupation of the whole or any part of the Leased Premises by any licensee, concessionaire or franchisee or by any Person other than the Tenant or the Management Company;

(each of the foregoing being herein referred to as a "Transfer" and each Person to whom any such Transfer is made or proposed to be made being herein referred to as a "Transferee"), without the prior written consent of the Landlord in each instance, which consent may not be unreasonably withheld but shall be subject to the Landlord's rights under Section 9.02 Procedure for Transfer; provided that the Landlord's consent to any Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer; provided further that, notwithstanding any such Transfer, the Tenant shall not be relieved from its obligations for the payment of Rent and for the observance and performance of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be paid, kept, observed and performed; provided further that the Tenant shall cause any such Transferee to covenant in writing with the Landlord to be bound by all of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be paid, kept, observed and performed as if such Transferee had originally executed this Lease as Tenant; and provided further that all documents evidencing such Transfer, the consent of the Landlord and the Transferee's covenant with the Landlord shall be subject to the prior written approval of the Landlord and any Mortgagee and all of the Landlord's reasonable legal costs with respect thereto shall be paid as Additional Rent by the Tenant to the Landlord forthwith upon demand.

### **Section 9.02 Procedure for Transfer**

If the Tenant wishes to effect a Transfer, the Tenant shall by notice to the Landlord request the Landlord to consent to such Transfer, which notice shall set forth full particulars of the proposed Transfer and shall be accompanied by a copy of the agreement or other document setting out the

terms of the proposed Transfer. Following the receipt of such notice, the Landlord may request further reasonable information in connection with the proposed Transfer including, without limitation, information concerning the responsibility, reputation, financial standing and business of the proposed Transferee. The Tenant shall promptly furnish the Landlord with such requested information. The Landlord shall, within thirty (30) days after having received such notice and all requested information, notify the Tenant either that:

- (a) it consents or does not consent to the Transfer in accordance with the provisions and qualifications of this Article; or
- (b) it elects to terminate this Lease as to the whole or part, as the case may be, of the Leased Premises affected by the proposed Transfer, in preference to giving such consent (subject to the Tenant's rights as set out below).

If the Landlord elects to terminate this Lease as provided in paragraph (b), it shall stipulate in its notice the termination date of this Lease, which date shall be no less than thirty (30) days nor more than ninety (90) days following the giving of such notice of termination. If the Landlord elects to terminate this Lease, the Tenant shall notify the Landlord within ten (10) days after receipt by the Tenant of notice from the Landlord of such election of the Tenant's intention either to refrain from such Transfer or to accept termination of this Lease as to the whole of the Leased Premises or the portion thereof in respect of which the Landlord has exercised its rights. If the Tenant fails to deliver such notice within such ten (10) days or notifies the Landlord that it accepts the Landlord's termination, this Lease will as to the whole or affected portion of the Leased Premises, as the case may be, be terminated on the date of termination stipulated by the Landlord in its notice of termination. If the Tenant notifies the Landlord within such ten (10) days that it intends to refrain from such Transfer, then the Landlord's election to terminate this Lease shall become void. If this Lease shall be cancelled as to a portion of the Leased Premises only, Basic Rent shall abate in the proportion that the Rentable Area of such portion bears to the Rentable Area of the Leased Premises and the definition of the Leased Premises shall be amended accordingly.

### **Section 9.03 Corporate Ownership**

If the Tenant is a corporation, other than a corporation whose shares are listed on any recognized security exchange, any amalgamation or reorganization of the Tenant, any transfer, sale, assignment, subscription, issuance, redemption, cancellation or disposition of shares of the Tenant (except a transmission of shares on death) and any lien, charge, pledge or encumbrance of shares of the Tenant not to a Person dealing at arm's length with the Tenant, or any series of combination of the foregoing, which has the result of changing the identity of the Persons exercising effective voting control of the Tenant as of the date of this Lease shall be considered to be a Transfer and subject to all of the provisions of this Article.

### **Section 9.04 Consideration for Assignment or Subletting**

If the Tenant receives from any assignee of this Lease either directly or indirectly any consideration for the assignment of this Lease, either in form of cash, goods, services or other consideration, the Tenant shall forthwith pay an amount equivalent to such consideration to the Landlord as Additional Rent. In the event of any subletting by the Tenant by virtue of which the Tenant receives a rental in the form of cash, goods, services or other consideration from the subtenant which is greater than the Rent payable to the Landlord for the premises sublet, the Tenant shall pay any such excess to the Landlord in addition to all other Rent for the period of time during which the said subtenant remains in possession of the premises sublet to it.

### **Section 9.05 Management Agreement**

The terms of any agreement entered into between the Tenant and the Management Company in relation to the Leased Premises, and any subsequent renewal or modification to the same, must be approved, in advance, by the Landlord.

Notwithstanding Tenant's hiring of the Management Company, the Tenant shall not be

relieved from its obligations for the payment of Rent and for the observance and performance of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be paid, kept, observed and performed; provided further that the Tenant shall cause the Management Company to covenant, in writing, with the Landlord to be bound by all of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be paid, kept, observed and performed as if the Management Company had originally executed this Lease as Tenant; and provided further that all documents evidencing such hiring of the Management Company by the Tenant, the consent of the Landlord, and the Management Company's covenant with the Landlord shall be subject to the prior written approval of the Landlord and any Mortgagee and all of the Landlord's reasonable legal costs with respect thereto shall be paid as Additional Rent by the Tenant to the Landlord forthwith upon demand.

## **ARTICLE X INSURANCE AND INDEMNITY**

### **Section 10.01 Tenant's Insurance**

- (a) The Tenant shall, during the Term and during such other time as the Tenant occupies the Leased Premises or any part thereof, at its sole cost and expense, take out and keep in full force and effect the following insurance:
  - (i) "all risks" insurance upon property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, and which is located in, at or on the Leased Premises including, without limitation, Leasehold Improvements, Trade Fixtures, fittings and stock-in-trade in an amount not less than the full replacement cost thereof;
  - (ii) comprehensive general liability insurance including but not limited to personal injury liability, contractual liability, contingent employer's liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises and the Tenant's use thereof, including the activities, operations and work conducted or performed by the Tenant, by any other Person on behalf of the Tenant, by those for whom the Tenant is in law responsible and by any other Person on the Leased Premises; such policy or policies shall be written with inclusive limits of not less than FIVE MILLION DOLLARS (\$5,000,000.00) for any one occurrence and such higher limits as the Landlord may reasonably require from time to time;
  - (iii) business interruption insurance; and
  - (iv) any other form of insurance which the Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent landlord or tenant under similar circumstances would insure.
- (b) Each of the foregoing policies of insurance shall name the Landlord and the Management Company, any Mortgagee as additional named insureds as their interest may appear and shall contain: the standard mortgage clause as may be required by the Mortgagee; a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord or those for whom the Landlord is in law responsible; a severability of interests clause and a cross liability clause; a waiver in favour of the Landlord and any Mortgagee of any breach of warranty clause to the effect that such insurance policy shall not be invalidated as respects their interest by reason of any breach or violation of any warranties, representations, declarations or conditions contained in such policy or any application therefor; and a clause stating that such insurance policy will be considered as primary insurance and shall not call into contribution any other insurance that may be available to the Landlord. Each of the

foregoing policies of insurance shall be taken out with insurers acceptable to the Landlord and any Mortgagee acting reasonably, shall be in form satisfactory from time to time to the Landlord and its Mortgagee acting reasonably, and shall contain an undertaking by the insurer to notify the Landlord and any Mortgagee in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof. The Tenant shall deliver to the Landlord and any Mortgagee certificates of such insurance or, if requested by the Landlord or such Mortgagee, a certified copy of each such policy of insurance.

#### **Section 10.02 Failure to Insure**

If the Tenant fails to take out or to keep in force any insurance referred to in Section 10.01 Tenant's Insurance, or should any such insurance not be approved by either the Landlord or any Mortgagee and should the Tenant not rectify the default within forty-eight hours after written notice thereof, the Landlord may, but shall not be obligated to, effect such insurance, and the Tenant shall pay to the Landlord as Additional Rent forthwith on demand all premiums, costs, charges and expenses incurred by the Landlord in effecting such insurance.

#### **Section 10.03 Cancellation of Insurance**

If any insurance policy upon or in respect of the Leased Premises or the Lands shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by reason of the use or occupation of the Leased Premises by the Tenant, the Management Company, any Transferee, or anyone else permitted by the Tenant to be upon the Leased Premises, and if the Tenant fails to remedy the condition giving rise to such cancellation, threatened cancellation or reduction of coverage within forty-eight hours after notice thereof, the Landlord may, at its option, either (a) re-enter the Leased Premises forthwith by leaving upon the Leased Premises a notice in writing of its intention to do so and thereupon all of the Landlord's right and remedies on re-entry contained in this Lease shall apply, or (b) enter upon the Leased Premises and remedy the condition giving rise to such cancellation, threatened cancellation or reduction, including removal of any offending article, and the Tenant shall forthwith pay as Additional Rent the cost thereof to the Landlord and the Landlord shall not be liable for any damage or injury caused to any property of the Tenant or of others located on the Leased Premises as a result of any such entry, and the Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

#### **Section 10.04 Loss or Damage**

The Landlord shall not be liable to Tenant for any death or injury arising from or out of any occurrence in, upon, at or relating to (1) the Lands, if directly or indirectly caused by the actions or inactions of the Tenant; (2) the Leased Premises; or (3) damage to property of the Tenant or of others located on the Leased Premises. Without limiting the generality of the foregoing, the Landlord shall not be liable for any death, injury, loss, damage of or to persons or property resulting from fire, explosion, steam, electricity, gas, water, sleet, snow, ice or leaks from any part of the Leased Premises or from the pipes, sprinklers, appliances, plumbing works, roof, windows or sub-surface of any floor or ceiling of the Lands or from the street or from any other place or by any other cause whatsoever, including gunshot wounds or other bodily or psychological injury arising from, in connection with, or as a result of the Business or encounters with any organisms, including wild animals, plant life, or bacteria, and viruses.

#### **Section 10.05 Indemnification of Landlord**

Notwithstanding any other terms, covenants and conditions contained in this Lease, the Tenant shall indemnify the Landlord and save it harmless from and against any and all loss (including loss of Rent), claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence in, upon or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises or the Lands, as the case may be, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Leased Premises or the Lands by the Tenant. If the Landlord shall, without fault on its part, be made a party to any litigation

commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in connection with such litigation. The Tenant shall also pay all costs, expenses and legal fees that may be incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this Lease unless a court shall decide otherwise.

#### **Section 10.06 Landlord's Insurance**

The Landlord shall effect and maintain throughout the Term the following insurance:

- (a) "fire and extended perils" insurance on the Lands(excluding any property which the Tenant and other tenants are obliged to insure pursuant to Section 10.01 Tenant's Insurance or similar provisions in their respective leases) in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of similar premises;
- (b) comprehensive general liability insurance against claims for death, personal injury and property damage with respect to the Landlord's operations in the Lands in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of reasonably similar premises;
- (c) rental income insurance; and
- (d) such other form or forms of insurance as the Landlord or its Mortgagee may require.

### **ARTICLE XI DAMAGE AND DESTRUCTION AND RELOCATION**

#### **Section 11.01 Destruction of Leased Premises**

- (a) If the Leased Premises are at any time damaged or destroyed as a result of any casualty required to be insured against by the Landlord pursuant to Section 10.06 Landlord's Insurance or otherwise insured against by the Landlord, the Landlord shall, with reasonable diligence, repair the Leased Premises save and except repairs to Leasehold Improvements with respect to which the Tenant is obliged to insure pursuant to Section 10.01 Tenant's Insurance, which repairs shall be the responsibility of the Tenant, and (i) if the damage or destruction is such as to render the Leased Premises wholly unfit for occupancy, Basic Rent shall abate from the date of the occurrence thereof until the completion of repairs to the Leased Premises by the Landlord, or (ii) if the damage or destruction is such that the Leased Premises can be partially used by the Tenant, Basic Rent shall abate in the proportion that the part of the Leased Premises which cannot be used or occupied bears to the whole of the Leased Premises from the date of the occurrence thereof until the completion of repairs to the Leased Premises by the Landlord.
- (b) If the Leased Premises are damaged or destroyed to such an extent that, in the opinion of the Landlord's architect or engineer, the Leased Premises are not capable with due diligence of being repaired, restored or rebuilt within one hundred and eighty (180) days from the date of such damage or destruction, the Landlord, instead of repairing the Leased Premises, may at its option terminate this Lease by giving to the Tenant within thirty (30) days after the date of such damage or destruction a notice of termination, and the Tenant shall thereupon immediately surrender the Leased Premises and the Lease to the Landlord and Rent shall be apportioned and paid to the date of such damage or destruction.



### **Section 11.02 Notice by Tenant**

The Tenant shall give immediate notice to the Landlord of any fire, accident, or defect in or on, as the case may be, the Leased Premises, the Lands or anything connected therewith; but unless otherwise expressly provided herein, there shall be no obligation on the part of the Landlord to repair or make good any such matters.

### **Section 11.03 Demolition**

Notwithstanding anything contained in this Lease to the contrary, in the event the Landlord intends to demolish or to renovate substantially the Leased Premises, then the Landlord, upon giving the Tenant one hundred and eighty (180) days' written notice, shall have the right to terminate this Lease and this Lease shall thereupon expire on the expiration of one hundred and eighty (180) days from the date of the giving of such notice without compensation of any kind to the Tenant.

### **Section 11.04 Relocation**

The parties agree that during the Term of this Lease, the Leased Premises may be relocated within the Lands by the Landlord, and it is expressly agreed that this Lease shall continue in full force and effect, and the Tenant shall lease the relocated Leased Premises upon the same terms and conditions contained herein. The Landlord shall give the Tenant at least three (3) months' written notice of such relocation. In the event that the Tenant is not satisfied with the proposed new location, the Tenant shall notify the Landlord within two (2) weeks of receipt of the Notice and will deliver up vacant possession of the Lease Premises within the Notice period in accordance with the provisions of this Lease and will execute all documents and other assurances as are reasonably required to give effect to the provisions of this section. Upon the date of termination, any necessary adjustments in Rent shall be made between the Landlord and the Tenant.

### **Section 11.05 Health Emergency**

If the Landlord, acting in good faith, determines that a Health Emergency exists:

- (a) the Landlord may amend, supplement or otherwise enforce any existing health emergency rules or regulations in existence; may pass additional rules or regulations and may impose restrictions to mitigate or minimize the effects of the Health Emergency by controlling access to parts of the Lands, imposing sanitization requirements and implementing health precautions consistent with advice from medical professionals, public health officials, police, or other public officials.
- (b) the Landlord will not be in default of any terms of this Lease by reason of anything it does pursuant to this section Section 11.05 Health Emergency, or by reason of any decision it makes in good faith in response to any Health Emergency, and will not be liable in contract, tort or in any other basis of liability, statutory or otherwise, by reason of any actions, omissions or failure to act in connection with or as the result of a Health Emergency.
- (c) If the Landlord, due to a Health Emergency, determines that it needs to suspend, reduce or restrict building services, in whole or in part, including but not limited to janitorial services, it will not be considered to be in default under this Lease.

## **ARTICLE XII DEFAULT OF TENANT**

### **Section 12.01 Right to Re-Enter**

In the event that:

- (a) the Tenant fails to pay Rent or other sums due hereunder or any part thereof within five (5) days of the day appointed for the payment thereof whether lawfully demanded or not;

- (b) the Tenant assigns or encumbers the whole or any part of this Lease or sublets or suffers or permits the use or occupation by anyone of the whole or any part of the Leased Premises except in the manner permitted by this Lease;
- (c) there is a misrepresentation with respect to any information provided by the Tenant to the Landlord pursuant to this Lease;
- (d) the Tenant fails to keep, observe or perform any other of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be kept, observed or performed for thirty (30) days after notice in writing of such failure has been given to the Tenant and such failure has not been remedied (provided that if such failure is not capable of being remedied within such thirty (30) day period, but the Tenant has commenced and is diligently pursuing the remedy of such failure, then the Tenant shall have such longer time to remedy such failure as is reasonable);
- (e) the Tenant becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors;
- (f) a receiving order is made against the Tenant;
- (g) a receiver or a receiver and manager is appointed for all or a portion of the property of the Tenant;
- (h) any steps are taken or any action or proceedings are instituted by the Tenant or by any other Person including, without limitation, any court or governmental body of competent jurisdiction, for the dissolution, winding up or liquidation of the Tenant or its assets;
- (i) the Tenant makes a sale in bulk (other than a bulk sale made to a Transferee pursuant to a permitted Transfer hereunder and pursuant to the *Bulk Sales Act* of Ontario);
- (j) the term hereby granted or any of the Tenant's assets shall be taken or exigible in execution or in attachment or if a writ of execution shall issue against the Tenant and not be satisfied within thirty (30) days; or
- (k) re-entry is permitted under any other terms of this Lease;

then and in any of such cases, at the option of the Landlord, the full amount of the current month's Rent and the next ensuing three (3) months' Rent shall immediately become due and payable, and the Landlord may immediately distrain for the same, together with any arrears then unpaid, and the Landlord shall have, in addition to any other rights or remedies of the Landlord pursuant to this Lease or at law or in equity, the immediate right to re-enter into and take possession of the Leased Premises in the name of the whole and have again, repossess and enjoy the Leased Premises in its former estate, and to expel all Persons from the Leased Premises and to remove and store all property in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice of resort to legal process and without the Landlord become liable for any loss or damage which may be occasioned thereby.

#### **Section 12.02 Right to Relet**

If the Landlord shall be entitled to re-enter, the Landlord may from time to time without terminating this Lease enter the Leased Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and make such alterations and repairs as are necessary in order to relet the Leased Premises or any part thereof for such term or terms (which may extend beyond the then current Term) and at such rent and upon such other terms, covenants and conditions as the Landlord in its sole discretion considers advisable. Upon each such reletting all rent received by the Landlord from such reletting shall be applied firstly, to the payment of any indebtedness other than Rent due; secondly, to the payment of any costs and expenses of such

reletting, including brokerage fees and solicitors' fees and the cost of alterations and repairs; thirdly, to the payment of Rent due; and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same becomes due and payable, and the Landlord shall not be accountable for any monies except those actually received, notwithstanding any act, neglect, omission or default of the Landlord, unless such non-receipt results from the negligence of the Landlord or those for whom it is in law responsible. No such entry of the Leased Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of termination is given to the Tenant. Notwithstanding any such reletting without termination, the Landlord may at any time thereafter terminate this Lease for such previous breach by written notice of termination given to the Tenant.

#### **Section 12.03 Waiver of Exemption and Redemption**

The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and, notwithstanding any such statute, none of the goods and chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from levy by distress for Rent and/or accelerated Rent in arrears. Upon any claim being made for such exemption by the Tenant or on distress being made by the Landlord, this Lease may be pleaded as an estoppel against the Tenant in any action brought to dispute the right to levy distress upon any such goods or chattels that are named to be exempt in any such statute.

#### **Section 12.04 Landlord May Cure Default**

If the Tenant is in default of any obligation or covenant under this Lease, the Landlord shall have the right, but not the obligation, at all times to remedy or attempt to remedy any such default and in so doing may make any payments due by the Tenant to third parties and may enter upon the Leased Premises to do any work or other things therein. In each such event all expenses of the Landlord in remedying or attempting to remedy such default shall be payable as Additional Rent by the Tenant to the Landlord forthwith upon demand, and the Landlord shall not be liable for any loss or damage to the Tenant's property or business caused by acts of the Landlord in remedying or attempting to remedy any such default or deemed to be a breach of any covenant for quiet enjoyment contained in this Lease.

#### **Section 12.05 No Waiver of Breach**

No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times of any covenants, provisos or conditions herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or defeat or affect such continuing or subsequent default, breach or non-observance, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord save only an express waiver in writing.

#### **Section 12.06 Remedies Cumulative**

No reference to, or exercise of, any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from any other remedy in respect thereof, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

#### **Section 12.07 Accord and Satisfaction**

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly Basic Rent or any Additional Rent shall be deemed to be other than on account of the earliest stipulated Basic Rent or Additional Rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque for or payment of Basic Rent or Additional Rent be deemed an accord and satisfaction, and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Basic Rent or Additional Rent or pursue any other remedy provided in this Lease.

### **Section 12.08 Landlord's Expenses**

Upon the occurrence of any of the events referred to in Section 12.01 Right to Re-Enter, the Tenant shall pay to and indemnify the Landlord against all costs, expenses (including reasonable legal fees on a client-and-his-solicitor basis) and charges lawfully and reasonably incurred in enforcing payments of Rent or other sums due hereunder, or in obtaining possession of the Leased Premises after default of the Tenant or upon expiration or earlier termination of the Term, or in enforcing any covenant, proviso or agreement of the Tenant herein contained.

## **ARTICLE XIII MORTGAGE BY LANDLORD OR TENANT**

### **Section 13.01 Subordination**

This Lease is and all of the rights of the Tenant hereunder are subject and subordinate to the rights of any Mortgagee and at any time at the request of the Landlord or a Mortgagee the Tenant shall without cost to the Landlord or the Mortgagee promptly (and in any event within ten (10) days) execute and deliver any instrument or further assurance reasonably required to:

- (a) postpone and subordinate this Lease to the Mortgagee to the intent and effect that this Lease and all rights of the Tenant shall be subject to the rights of the Mortgagee as though the Mortgage existed prior to the executor delivery of this Lease; and
- (b) attorn to the Mortgagee and become bound to the Mortgagee as tenant of the Leased Premises for the then expired residue of the Term upon the conditions herein contained.

Notwithstanding the foregoing, the Tenant shall not be required to postpone, subordinate or attorn to any Mortgagee unless such Mortgagee enters into an agreement with the Tenant which provides that, so long as the Tenant is not in default hereunder, its tenancy shall not be disturbed.

### **Section 13.02 Estoppel Certificate**

Whenever requested by the Landlord, the Tenant shall, without cost to Landlord, promptly (and in any event within five (5) days) execute and deliver a certificate in form satisfactory to the Landlord in favour of any actual or prospective Mortgagee or purchaser of the Landlord's interest in the Lands certifying the status and validity of this Lease, the payment of Rent and such other information as may reasonably be required, all with the intent that any such certificate may be relied upon by the Person to whom it is addressed. In the event that the Tenant does not execute or deliver such certificate to the Landlord within five (5) days, the Tenant irrevocably appoints the Landlord as its authorized agent or signing officer to execute such certificate on the Tenant's behalf.

### **Section 13.03 Tenant Not to Create Encumbrances**

The Tenant shall not create or permit or allow any mortgage, charge or other encumbrance of its leasehold interest under this Lease and its interest in the Leased Premises unless the prior written consent of the Landlord has been obtained which consent, in the absolute discretion of the Landlord, may be unreasonably withheld or granted on such terms and conditions as the Landlord may see fit.

## **ARTICLE XIV ACCESS**

### **Section 14.01 Right of Entry**

The Landlord and its agents shall have the right at all reasonable times during the Term to enter upon the Leased Premises to show them to prospective purchasers and Mortgagees and, in addition, the Landlord and its agent shall have the right at all reasonable times during the six (6) months prior to the expiration of the Term to enter upon the Leased Premises to show them to prospective tenants.

The Tenant further acknowledges and agrees that the Landlord, including his guests, shall have access to any and all driveways, lawns, walkways, and other points of egress and ingress to (1) the Lands and (2) those portions of the Lands which are not included in the Leased Premises.

#### **Section 14.02 Sale and Rental Notices**

The Landlord shall have the right at all times during the Term to place upon the Leased Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the Business, stating that the Lands are for sale and, in addition, the Landlord shall have the right at all times during the six (6) months prior to expiration of the Term to place upon the Leased Premises a similar notice that the Leased Premises are for rent, and the Tenant shall not remove any such notice or permit the same to be removed.

### **ARTICLE XV RULES AND REGULATIONS**

#### **Section 15.01 Promulgation of Rules and Regulations**

The Landlord shall have the right to adopt and promulgate reasonable rules, regulations codes, standards, and procedures not inconsistent with the terms of this Lease applicable to the Leased Premises or the Lands including, without limiting the generality of the foregoing, rules regulations, codes, standards, and procedures for the operation and maintenance of equipment, the use of the Leased Premises, health and safety, the delivery and shipping of merchandise between the general shipping and receiving areas and the Leased Premises, garbage disposal, , lighting of premises and display signs, parking, and other matters relating to the establishment of a proper image of the Lands and the health and safety of those Persons present on the Lands.

### **ARTICLE XVI MISCELLANEOUS**

#### **Section 16.01 Signs**

The Tenant shall have the right, at its sole cost and expense and subject to compliance with municipal by-laws and subject to the prior written consent of the Landlord (which consent shall not be unreasonably withheld), to install a sign or signs upon the exterior of the Leased Premises. Upon the expiration of the Term or any earlier termination thereof, at the request of the Landlord, the Tenant shall remove any sign it has installed, erected or displayed in or about the Leased Premises. Such removal will be at the sole cost of the Tenant. Failure of the Tenant to remove any such sign at the request of the Landlord shall entitle the Landlord to remove such sign at the sole cost of the Tenant, and the Tenant shall pay such cost together with an additional administrative charge of fifteen percent (15%) forthwith to the Landlord upon demand as Additional Rent.

#### **Section 16.02 Force Majeure**

If the Landlord is bona-fide delayed or hindered in or prevented from the performance of any provisions of this Lease by causes beyond its reasonable control, including, but not limited to acts of God, landslide, flood, tempest, washout, fire, lightening, disaster, earthquake, storm, action of military, naval or civil authority, the Queen's or public enemy, war, revolution, political disturbance, terrorism, civil disturbance, expropriation, acts or restraints of a governmental body or authority, failure to obtain a requisite permit or authorization, unusual delay by common carriers, sabotage, rebellion, vandalism, riot, blockade, insurrection, strike, lockout, explosion, power failure, non-availability of labour, materials service, equipment, goods or utility, epidemic or quarantine, then the performance of the provision of this Lease so delayed, hindered or prevented shall be excused for the period during which such performance shall be extended accordingly, provided that nothing herein contained shall operate in any way to excuse the Tenant from the prompt payment of Rent or any other payments required by this Lease.

### **Section 16.03 Registration**

The Tenant shall not register this Lease without the prior written consent of the Landlord which may be arbitrarily withheld or unreasonably delayed. In lieu of giving consent, the Landlord shall execute, at the request and expense of the Tenant, a short form of lease in a form satisfactory to the Landlord for the purpose of registration, which shall suffice to give notice of this Lease and the Tenant's interest in the Leased Premises without disclosure of any of the terms of this Lease which the Landlord does not wish to have disclosed. The Tenant may register a notice of the Lease, if applicable, provided that the Landlord approves the form of the notice, which approval shall not be unreasonably withheld.

### **Section 16.04 No Objection**

The Tenant hereby agrees not to object or file any complaints with respect to any renovation, development or expansion of the Lands. The Tenant shall not oppose any application for: (i) any severance or minor variance application by the Landlord, or any successors in title to the Landlord, with respect to any part or parts of the Lands; or (ii) any rezoning or committee of adjustment applications (severance or minor variance), whether with respect to the Lands or other lands owned by the Landlord or by corporations or other entities associated with or controlled by the Landlord, nor shall the Tenant challenge any use on the Lands. This covenant may be pleaded by the Landlord as an estoppel to any opposition by the Tenant or in aid of an injunction restraining such opposition.

### **Section 16.05 Notices**

- (a) Any notice required or contemplated by any provision of this Lease shall be given in writing and shall be delivered in person or, if there is not actual or apprehended disruption in the Canadian Postal Service, sent by registered mail postage prepaid, if to the Tenant, at the Leased Premises, and if to the Landlord, at:

101 Rolph Rd.  
Village of Baltimore, Ontario  
K0K 1C0  
**Attn: Mark Rivers**

Fax: N/A  
Email: [mrivers@innovativecompositesinc.com](mailto:mrivers@innovativecompositesinc.com)

and copied to (which shall not constitute notice herein):

Himelfarb Proszanski, Barristers & Solicitors  
480 University Avenue, Suite 1401  
Toronto, ON M5G 1V2  
**Attn: Peter Proszanski**

Fax: 416-599-3131

- (b) Every such notice shall be deemed to have been given and received when personally delivered or sent by facsimile, email or other similar means of electronic communication or, if mailed as aforesaid, upon the third Business Day after the date on which it was so mailed. Either party may at any time give notice to the other of any change of address of the party giving such notice and after the date of such notice, the address therein specified shall be the address of such party for the giving of notices hereunder. Should there be any unforeseeable and uncontrollable interruption in registered mail delivery, any notice shall be hand delivered or sent by email or facsimile transmission. If notice is delivered electronically, the sender shall request from the recipient and the recipient shall provide an acknowledgement of receipt.

**ARTICLE XVII  
LANDLORD'S COVENANTS**

**Section 17.01 Quiet Enjoyment**

The Landlord covenants with the Tenant for quiet enjoyment.

**Section 17.02 Lands**

The Landlord shall maintain and repair the Lands, but excluding the Leased Premises, except for reasonable wear and tear.

**Section 17.03 Inherent or Structural Defects**

The Landlord shall repair inherent or structural defects or weaknesses in the Lands including defects of weaknesses caused by improper materials or workmanship or faulty construction or design.

**Section 17.04 Grant of Licence**

The Landlord shall grant to the Tenant a revocable, non-exclusive, non-transferrable licence to use certain rooms and areas located on the Lands during the Term for the sole purpose allowing customers of the Business to use such rooms for rest and sleep (the "Licence"). The terms of the licence shall be negotiated between the Landlord and Tenant, acting reasonably. Upon termination of this Lease for any reason, the Licence shall automatically be revoked and terminated.

**ARTICLE XVIII  
EXPROPRIATION**

**Section 18.01 Expropriation**

If the whole or any part of the Lands shall be taken or expropriated during the Term, neither the Landlord nor the Tenant shall have a claim against the other for the shortening of the Term or potential term of this Lease, the abatement of Rent or the reduction or alteration of the Lands or the Leased Premises, and the landlord and Tenant may each exercise fully all rights, remedies and claims for compensation which each may have under the applicable expropriation legislation, and this Lease shall not terminate nor Rent abate except to the extent required by the applicable expropriation legislation.

**ARTICLE XIX  
ENVIRONMENTAL MATTERS**

**Section 19.01 Environmental Matters**

The Tenant shall not cause or permit any hazardous substances including, without limitation, inflammables, explosives, polychlorinated biphenyls (PCB's), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any such authority (any of which is hereinafter referred to as a "hazardous substance") without first obtaining Landlord's written consent which may be refused even arbitrarily or unreasonably delayed. The Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities and losses (including, without limitation, a decrease in value of the Leased Premises, damages caused by loss or restriction of rentable or useable space or any damages caused by adverse impact on marketing of such space, and any and all sums paid for settlement of claims, attorneys' fees, consultant's and expert's fees) arising during or after the term of this Lease. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any clean-up, removal or restoration mandated by any governmental, quasi-governmental or municipal authority. Without limitation of the foregoing, if the Tenant causes or permits the presence of any hazardous substance on





SCHEDULE "A"

Description of the Lands:

PT LT 33 CON 6 HALDIMAND PT 1, 39R1905; S/T MCG 478; ALNWICK/HALDIMAND; PIN 51126-0087 (LT)

PT LT 31-32 CON 6 HALDIMAND PT 2, 39R1905; S/T MCG 478; ALNWICK/HALDIMAND; PIN 51126-0089 (LT)

PT LT 30 CON 6 HALDIMAND PT 3, 39R1905; S/T MCG 478; ALNWICK/HALDIMAND; PIN 51126-0097 (LT)

PT LT 30 CON 6 HALDIMAND AS IN NC378966; ALNWICK/HALDIMAND; PIN 51126-0099 (LT)

PT LT 31 CON 6 HALDIMAND PT 5, 39R1905; ALNWICK/HALDIMAND; PIN 51126-0104 (R)

PT LT 31 CON 6 HALDIMAND PT 6, 39R1905; S/T MCG 478; ALNWICK/HALDIMAND; PIN 51126-0105 (LT)

**SCHEDULE "B"**

**DESCRIPTION OF LEASED PREMISES**

**(Insert photocopy of building plan)**





**SCHEDULE "C"**

**LANDLORD'S WORK**

INTENTIONALLY DELETED

**TENANT'S WORK**

All work necessary to bring the Leased Premises to a condition to operate the Business, provided that the Tenant complies with section 6.05 and all other terms of this Lease.

# APPENDIX I

## COMMERCIAL LEASE AGREEMENT

**THIS LEASE (this "Lease") dated this 1st day of May, 2018**

**BETWEEN:**

**Mill Valley Estates of 101 Rolph Road, Baltimore, ON, K0K1C0**

Telephone: (647) 526-5899

(the "Landlord")

OF THE FIRST PART

- AND -

**Oasis Global Inc. of 101 Rolph Road, Baltimore, ON, K0K1C0**

Telephone: (866) 743-9031

(the "Tenant")

OF THE SECOND PART

**IN CONSIDERATION OF** the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the Parties to this Lease (the "Parties") agree as follows:

### Basic Terms

1. The following basic terms are hereby approved by the Parties and each reference in this Lease to any of the basic terms will be construed to include the provisions set forth below as well as all of the additional terms and conditions of the applicable sections of this Lease where such basic terms are more fully set forth:
  - a. Landlord: Mill Valley Estates
  - b. Address of Mill Valley Estates: 101 Rolph Road, Baltimore, ON, K0K1C0, Phone: (647) 526-5899
  - c. Tenant: Oasis Global Inc.
  - d. Address of Oasis Global Inc.: 101 Rolph Road, Baltimore, ON, K0K1C0, Phone: (289) 677-4657
  - e. Commencement Date of Lease: May 1, 2018

- f. Base Rent: "Please refer to Schedule A", payable per month
- g. Permitted Use of Premises: Offices, Warehouses, Showroom, Staff Accommodations, Mechanic Shop, Product Demonstration & Testing Compound
- h. Security/Damage Deposit: None

## Definitions

2. When used in this Lease, the following expressions will have the meanings indicated:
- a. "Additional Rent" means all amounts payable by the Tenant under this Lease except Base Rent, whether or not specifically designated as Additional Rent elsewhere in this Lease;
  - b. "Building" means the Lands together with all buildings, improvements, equipment, fixtures, property and facilities from time to time thereon, as from time to time altered, expanded or reduced by the Landlord in its sole discretion;
  - c. "Common Areas and Facilities" mean:
    - i. those portions of the Building areas, buildings, improvements, facilities, utilities, equipment and installations in or forming part of the Building which from time to time are not designated or intended by the Landlord to be leased to tenants of the Building including, without limitation, exterior weather walls, roofs, entrances and exits, parking areas, driveways, loading docks and area, storage, mechanical and electrical rooms, areas above and below leasable premises and not included within leasable premises, security and alarm equipment, grassed and landscaped areas, retaining walls and maintenance, cleaning and operating equipment serving the Building; and
    - ii. those lands, areas, buildings, improvements, facilities, utilities, equipment and installations which serve or are for the useful benefit of the Building, the tenants of the Building or the Landlord and those having business with them, whether or not located within, adjacent to or near the Building and which are designated from time to time by the Landlord as part of the Common Areas and Facilities;
  - d. "Lands" means the land legally described as:
    - i. Offices, Warehouses, Mechanic Shop, Staff Accommodations, Showroom;
  - e. "Leasable Area" means with respect to any rentable premises, the area expressed in square feet of all floor space including floor space of mezzanines, if any, determined, calculated and certified by the Landlord and measured from the exterior face of all exterior walls, doors and windows, including walls, doors and windows separating the rentable premises from enclosed Common Areas and Facilities, if any, and from the centre line of all interior walls separating the rentable premises from adjoining rentable premises. There will be no deduction or exclusion for any space occupied by or used for columns, ducts or other structural elements;



- f. "Premises" means the warehouse space at 101 Rolph Road, Baltimore, ON, K0K 1C0;
- g. "Proportionate Share" means a fraction, the numerator of which is the Leasable Area of the Premises and the denominator of which is the aggregate of the Leasable Area of all rentable premises in the Building;
- h. "Rent" means the total of Base Rent and Additional Rent.

### Intent of Lease

- 3. It is the intent of this Lease and agreed to by the Parties to this Lease that this Lease will be absolutely carefree triple net to the Landlord such that, all and every cost, expense, rate, tax or charge in any way related to the Premises, to the operation of the Building and to the Tenant's share of Operating Costs will be borne by the Tenant for its own account and without any variation, setoff or deduction whatsoever, save as specifically provided in this Lease to the contrary.

### Leased Premises

- 4. The Landlord agrees to rent to the Tenant the Premises for only the permitted use (the "Permitted Use") of: Head Office, Product Demonstration & Testing Compound.  
The Premises are more particularly described as follows:  
Access to trails, all parking, equipment access (per equipment lease),
- 5. No pets or animals are allowed to be kept in or about the Premises or in any common areas in the Building containing the Premises without the prior written permission of the Landlord. Upon thirty (30) days' notice, the Landlord may revoke any consent previously given under this clause.
- 6. Subject to the provisions of this Lease, the Tenant is entitled to the use of parking (the "Parking") on or about the Premises. Only properly insured motor vehicles may be parked in the Tenant's Parking.
- 7. The Premises are provided to the Tenant without any fixtures, chattels or leasehold improvements.
- 8. The Landlord reserves the right in its reasonable discretion to alter, reconstruct, expand, withdraw from or add to the Building from time to time. In the exercise of those rights, the Landlord undertakes to use reasonable efforts to minimize any interference with the visibility of the Premises and to use reasonable efforts to ensure that direct entrance to and exit from the Premises is maintained.
- 9. The Landlord reserves the right for itself and for all persons authorized by it, to erect, use and maintain wiring, mains, pipes and conduits and other means of distributing services in and through the Premises, and at all reasonable times to enter upon the Premises for the purpose of installation, maintenance or repair, and such entry will not be an interference with the Tenant's possession under this Lease.

10. The Landlord reserves the right, when necessary by reason of accident or in order to make repairs, alterations or improvements relating to the Premises or to other portions of the Building to cause temporary obstruction to the Common Areas and Facilities as reasonably necessary and to interrupt or suspend the supply of electricity, water and other services to the Premises until the repairs, alterations or improvements have been completed. There will be no abatement in rent because of such obstruction, interruption or suspension provided that the repairs, alterations or improvements are made as expeditiously as is reasonably possible.
11. Subject to this Lease, the Tenant and its employees, customers and invitees will have the non-exclusive right to use for their proper and intended purposes, during business hours in common with all others entitled thereto those parts of the Common Areas and Facilities from time to time permitted by the Landlord. The Common Areas and Facilities and the Building will at all times be subject to the exclusive control and management of the Landlord. The Landlord will operate and maintain the Common Areas and Facilities and the Building in such manner as the Landlord determines from time to time.

### **Term**

12. The term of the Lease is a periodic tenancy commencing at 12:00 noon on May 1, 2018 and continuing on a year-to-year basis until the Landlord or the Tenant terminates the tenancy (the "Term").
13. Upon 60 days notice, the Landlord may terminate the tenancy under this Lease if the Tenant has defaulted in the payment of any portion of the Rent when due.
14. Upon 60 days notice, the Landlord may terminate the tenancy under this Lease if the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and the Tenant persists in such default beyond the said 60 days notice.

### **Rent**

15. Subject to the provisions of this Lease, the Tenant will pay a base rent of "Please refer to Schedule A", payable per month, for the Premises (the "Base Rent"), without setoff, abatement or deduction. In addition to the Base Rent, the Tenant will pay for any fees or taxes arising from the Tenant's business.
16. The Tenant will pay the Base Rent on or before the first of each and every month of the Term to the Landlord.
17. In the event that this Lease commences, expires or terminates before the end of a period for which any Additional Rent or Base Rent would be payable, or other than at the start or end of a calendar

month, such amounts payable by the Tenant will be apportioned pro rata on the basis of a thirty (30) day month to calculate the amount payable for such irregular period.

18. No acceptance by the Landlord of any amount less than the full amount owed will be taken to operate as a waiver by the Landlord for the full amount or in any way to defeat or affect the rights and remedies of the Landlord to pursue the full amount.

### **Operating Costs**

19. In addition to the Base Rent, the Tenant will pay as Additional Rent, without setoff, abatement or deduction, its Proportionate Share of all of the Landlord's costs, charges and expenses of operating, maintaining, repairing, replacing and insuring the Building including the Common Areas and Facilities from time to time and the carrying out of all obligations of the Landlord under this Lease and similar leases with respect to the Building ("Operating Costs") which include without limitation or duplication, all expenses, costs and outlays relating to the following:
- a. cleaning and janitorial services;
  - b. operating and servicing elevators;
  - c. all utilities supplied to the Common Areas and Facilities;
  - d. security;
  - e. window cleaning;
  - f. all insurance relating to the Building as placed by the Landlord from time to time, acting prudently;
  - g. repairs and replacements to the Building and any component of the Building;
  - h. accounting and auditing;
  - i. provision, repair, replacement and maintenance of heating, cooling, ventilation and air conditioning equipment throughout the Building;
  - j. all amounts paid to employees or third parties relating to work performed in relation to the Building including in the case of employees all usual benefits, including a management fee not to exceed 5% of gross receipts from the Building;
  - k. supplies used in relation to operating and maintaining the Building;
  - l. provision of a building superintendent and associated personnel employed for the Building including a reasonable rental value for office space used by those persons and related expenses including uniforms;
  - m. all outdoor maintenance including landscaping and snow removal;
  - n. operation and maintenance of parking areas; and



- a. To the Landlord, the Tenant's Proportionate Share of all real property taxes, rates, duties, levies and assessments which are levied, rated, charged, imposed or assessed by any lawful taxing authority (whether federal, provincial, municipal, school or otherwise) against the Building and the land or any part of the Building and land from time to time or any taxes payable by the Landlord which are charged in lieu of such taxes or in addition to such taxes, but excluding income tax upon the income of the Landlord to the extent that such taxes are not levied in lieu of real property taxes against the Building or upon the Landlord in respect of the Building.
  - b. To the lawful taxing authorities, or to the Landlord, as it may direct, as and when the same become due and payable, all taxes, rates, use fees, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in default by the Tenant and in respect of any business carried on in the Premises or in respect of the use or occupancy of the Premises by the Tenant and every subtenant, licensee, concessionaire or other person doing business on or from the Premises or occupying any portion of the Premises.
24. The Tenant will deliver promptly to the Landlord a copy of any separate tax bills or separate assessment notices for the Premises and receipts evidencing the payment of all amounts payable by the Tenant directly to any taxing authority and will furnish such information in connection therewith as the Landlord may from time to time require.
25. The Tenant will pay to the Landlord, forthwith upon demand, the following amounts:
- a. If the Tenant or any person occupying the Premises or any part of the Premises will elect to have the Premises or any part of the Premises assessed for separate school taxes, any additional amount payable in respect of the Premises or the Building as a result of such election, as reasonably determined by the Landlord.
  - b. An amount equal to any increase in the Operating Costs if such increase is directly or indirectly attributable to any installation in or upon the Premises or any activity or conduct on the Premises.
  - c. In such manner as the Landlord will from time to time direct, the cost of supplying all water, fuel, electricity, telephone and any other utilities used or consumed upon or serving the Premises. If the Tenant is billed for the consumption or use of such utilities directly by the appropriate utility authority, the Tenant will pay any such billings promptly when due and payable. If separate check meters are not installed in respect of utilities consumption in, upon or serving the Premises or if the Tenant is not billed for the consumption of such utilities directly by the competent authority, the Landlord will allocate to the Tenant, on a reasonable basis, a share of the total costs of all utilities consumed within the Building.

26. All amounts payable by the Tenant relating to the Operating Costs will be deemed to be rent and receivable and collectable as such notwithstanding the expiration or sooner termination of this Lease and all remedies of the Landlord for nonpayment of rent will be applicable thereto.

### Landlord's Estimate

27. The Landlord may, in respect of all taxes and Operating Costs and any other items of Additional Rent referred to in this Lease compute bona fide estimates of the amounts which are anticipated to accrue in the next following lease year, calendar year or fiscal year, or portion of such year, as the Landlord may determine is most appropriate for each and of all items of Additional Rent, and the Landlord may provide the Tenant with written notice and a reasonable breakdown of the amount of any such estimate, and the Tenant, following receipt of such written notice of the estimated amount and breakdown will pay to the Landlord such amount, in equal consecutive monthly instalment throughout the applicable period with the monthly instalment of Base Rent. With respect to any item of Additional Rent which the Landlord has not elected to estimate from time to time, the Tenant will pay to the Landlord the amount of such item of Additional Rent, determined under the applicable provisions of this Lease, immediately upon receipt of an invoice setting out such items of Additional Rent. Within one hundred and twenty (120) days of the conclusion of each year of the Term or a portion of a year, as the case may be, calendar year or fiscal year, or portion of such year, as the case may be, for which the Landlord has estimated any item of Additional Rent, the Landlord will compute the actual amount of such item of Additional Rent, and make available to the Tenant for examination a statement providing the amount of such item of Additional Rent and the calculation of the Tenant's share of that Additional Rent for such year or portion of such year. If the actual amount of such items of Additional Rent, as set out in the any such statement, exceeds the aggregate amount of the instalment paid by the Tenant in respect of such item, the Tenant will pay to the Landlord the amount of excess within fifteen (15) days of receipt of any such statement. If the contrary is the case, any such statement will be accompanied by a refund to the Tenant of any such overpayment without interest, provided that the Landlord may first deduct from such refund any rent which is then in arrears.

### Use and Occupation

28. The Tenant will carry on business under the name of Oasis Global Inc. and will not change such name without the prior written consent of the Landlord, such consent not to be unreasonably withheld. The Tenant will continuously occupy and utilize the entire Premises in the active conduct of its business in a reputable manner on such days and during such hours of business as may be determined from time to time by the Landlord.
29. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with all statutes, bylaws, rules and

regulations of any federal, provincial, municipa or other competent authority and will not do anything on or in the Premises in contravention of any of them.

30. The Tenant covenants that the Tenant will carry on and conduct its business from time to time carried on upon the Premises in such manner as to comply with any statute, including any subordinate legislation, which is in force now or in the future and taking into account any amendment or re-enactment, or any government department, local authority, other public or competent authority or court of competent jurisdiction and of the insurers in relation to the use, occupation and enjoyment of the Building (including in relation to health and safety compliance with the proper practice recommended by all appropriate authorities).

### Quiet Enjoyment

31. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Premises for the agreed term.

### Default

32. If the Tenant is in default in the payment of any money, whether hereby expressly reserved or deemed as rent, or any part of the rent, and such default continues following any specific due date on which the Tenant is to make such payment, or in the absence of such specific due date, for the 60 days following written notice by the Landlord requiring the Tenant to pay the same then, at the option of the Landlord, this Lease may be terminated upon 60 days notice and the term will then immediately become forfeited and void, and the Landlord may without further notice or any form of legal process immediately reenter the Premises or any part of the Premises and in the name of the whole repossess and enjoy the same as of its former state anything contained in this Lease or in any statute or law to the contrary notwithstanding.
33. Unless otherwise provided for in this Lease, if the Tenant does not observe, perform and keep each and every of the non-monetary covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and persists in such default, after 60 days following written notice from the Landlord requiring that the Tenant remedy, correct or comply or, in the case of such default which would reasonably require more than 60 days to rectify, unless the Tenant will commence rectification within the said 60 days notice period and thereafter promptly and diligently and continuously proceed with the rectification of any such defaults then, at the option of the Landlord, this Lease may be terminated upon 60 days notice and the term will then immediately become forfeited and void, and the Landlord may without further notice or any form of legal process immediately reenter the Premises or any part of the Premises and in the name of the whole repossess and enjoy the same as of its former state anything contained in this Lease or in any statute or law to the contrary notwithstanding.

34. If and whenever:

- a. the Tenant's leasehold interest hereunder, or any goods, chattels or equipment of the Tenant located in the Premises will be taken or seized in execution or attachment, or if any writ of execution will issue against the Tenant or the Tenant will become insolvent or commit an act of bankruptcy or become bankrupt or take the benefit of any legislation that may be in force for bankrupt or insolvent debtor or become involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver will be appointed for the affairs, business, property or revenues of the Tenant; or
- b. the Tenant fails to commence, diligently pursue and complete the Tenant's work to be performed under any agreement to lease pertaining to the Premises or vacate or abandon the Premises, or fail or cease to operate or otherwise cease to conduct business from the Premises, or use or permit or suffer the use of the Premises for any purpose other than as permitted in this clause, or make a bulk sale of its goods and assets which has not been consented to by the Landlord, or move or commence, attempt or threaten to move its goods, chattels and equipment out of the Premises other than in the routine course of its business;

then, and in each such case, at the option of the Landlord, this Lease may be terminated without notice and the term will then immediately become forfeited and void, and the Landlord may without notice or any form of legal process immediately reenter the Premises or any part of the Premises and in the name of the whole repossess and enjoy the same as of its former state anything contained in this Lease or in any statute or law to the contrary notwithstanding.

35. In the event that the Landlord has terminated the Lease pursuant to this section, on the expiration of the time fixed in the notice, if any, this Lease and the right, title, and interest of the Tenant under this Lease will terminate in the same manner and with the same force and effect, except as to the Tenant's liability, as if the date fixed in the notice of cancellation and termination were the end of the Lease.

### **Distress**

36. If and whenever the Tenant is in default in payment of any money, whether hereby expressly reserved or deemed as Rent, or any part of the Rent, the Landlord may, without notice or any form of legal process, enter upon the Premises and seize, remove and sell the Tenant's goods, chattels and equipment from the Premises or seize, remove and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been distrained upon the Premises, all notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the Landlord's right of distress.

### **Overholding**



37. If the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the Term, then the Tenant will be a tenant at will and will pay to the Landlord, as liquidated damages and not as rent, an amount equal to twice the Base Rent plus any Additional Rent during the period of such occupancy, accruing from day to day and adjusted pro rata accordingly, and subject always to all the other provisions of this Lease insofar as they are applicable to a tenancy at will and a tenancy from month to month or from year to year will not be created by implication of law; provided that nothing in this clause contained will preclude the Landlord from taking action for recovery of possession of the Premises.

### **Landlord Chattels**

38. The Landlord will not supply any chattels.

### **Tenant Improvements**

39. The Tenant may make the following improvements to the Premises:

- a. All leaseholder improvements to allow the tenant to operate its business will be permitted. Tenant will be responsible for aid leasehold improvements. Ownership of said leasehold improvements will be the property of Mill Valley Estates..

### **Utilities and Other Costs**

40. The Tenant is responsible for the direct payment of the following utilities and other charges in relation to the Premises: electricity, natural gas, water, sewer, telephone, internet and cable.

41. The Tenant will also directly pay for the following utilities and other charges in relation to the Premises: Liability insurance, security, maintenance, snow removal, leasehold improvements.

### **Signs**

42. The Tenant may erect, install and maintain a sign of a kind and size in a location, all in accordance with the Landlord's design criteria for the Building and as first approved in writing by the Landlord. All other signs, as well as the advertising practices of the Tenant, will comply with all applicable rules and regulations of the Landlord. The Tenant will not erect, install or maintain any sign other than in accordance with this section.

### **Insurance**

43. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is advised that, if insurance coverage is desired by the Tenant, the Tenant should inquire of Tenant's insurance agent regarding a Tenant's policy of insurance.

44. The Tenant is responsible for insuring the Premises for damage or loss to the structure, mechanical or improvements to the Building on the Premises for the benefit of the Tenant and the Landlord. Such insurance should include such risks as fire, theft, vandalism, flood and disaster.
45. The Tenant is responsible for insuring the Premises for liability insurance for the benefit of the Tenant and the Landlord.
46. The Tenant will provide proof of such insurance to the Landlord upon request.

### **Tenant's Insurance**

47. The Tenant will, during the whole of the Term and during such other time as the Tenant occupies the Premises, take out and maintain the following insurance, at the Tenant's sole expense, in such form as used by solvent insurance companies in the Province of Ontario:
  - a. Comprehensive general liability insurance against claims for bodily injury, including death, and property damage or loss arising out of the use or occupation of the Premises, or the Tenant's business on or about the Premises; such insurance to be in the joint name of the Tenant and the Landlord so as to indemnify and protect both the Tenant and the Landlord and to contain a 'cross liability' and 'severability of interest' clause so that the Landlord and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and will be for the amount of not less than \$2,000,000.00 combined single limit or such other amount as may be reasonably required by the Landlord from time to time; such comprehensive general liability insurance will for the Tenant's benefit only include contractual liability insurance in a form and of a nature broad enough to insure the obligations imposed upon the Tenant under the terms of this Lease.
  - b. All risks insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Premises owned by the Tenant or for which the Tenant is legally liable, and insurance upon all glass and plate glass in the Premises against breakage and damage from any cause, all in an amount equal to the full replacement value of such items, which amount in the event of a dispute will be determined by the decision of the Landlord. In the event the Tenant does not obtain such insurance, it is liable for the full costs of repair or replacement of such damage or breakage.
  - c. Boiler and machinery insurance on such boilers and pressure vessels as may be installed by, or under the exclusive control of, the Tenant in the Premises.
  - d. Owned automobile insurance with respect to all motor vehicles owned by the Tenant and operated in its business.
48. The Tenant's policies of insurance hereinbefore referred to will contain the following:

- a. provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of claim under such policies will not be affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of the insured(s);
  - b. provisions that such policies and the coverage evidenced thereby will be primary and noncontributing with respect to any policies carried by the Landlord and that any coverage carried by the Landlord will be excess coverage;
  - c. all insurance referred to above will provide for waiver of the insurer's rights of subrogation as against the Landlord; and
  - d. provisions that such policies of insurance will not be cancelled without the insurer providing the Landlord thirty (30) days' written notice stating when such cancellation will be effective.
49. The Tenant will further during the whole of the Term maintain such other insurance in such amounts and in such sums as the Landlord may reasonably determine from time to time. Evidence satisfactory to the Landlord of all such policies of insurance will be provided to the Landlord upon request.
50. The Tenant will not do, omit or permit to be done or omitted upon the Premises anything which will cause any rate of insurance upon the Building or any part of the Building to be increased or cause such insurance to be cancelled. If any such rate of insurance will be increased as previously mentioned, the Tenant will pay to the Landlord the amount of the increase as Additional Rent. If any insurance policy upon the Building or any part of the Building is cancelled or threatened to be cancelled by reason of the use or occupancy by the Tenant or any such act or omission, the Tenant will immediately remedy or rectify such use, occupation, act or omission upon being requested to do so by the Landlord, and if the Tenant fails to so remedy or rectify, the Landlord may at its option terminate this Lease and the Tenant will immediately deliver up possession of the Premises to the Landlord.
51. The Tenant will not at any time during the Term use, exercise, carry on or permit or suffer to be used, exercised, carried on, in or upon the Premises or any part of the Premises, any noxious, noisome or offensive act, trade business occupation or calling, and no act, matter or thing whatsoever will at any time during the said term be done in or upon the Premises, or any part Premises, which will or may be or grow to the annoyance, nuisance, grievance, damage or disturbance of the occupiers or owners of the Building, or adjoining lands or premises.

### **Landlord's Insurance**

52. The Landlord will take out or cause to be taken out and keep or cause to be kept in full force and effect during the whole of the Term:

- a. fire and extended coverage insurance on the Building, except foundations, on a replacement cost basis, subject to such deductions and exceptions as the Landlord may determine; such insurance will be in a form or forms normally in use from time to time for buildings and improvements of a similar nature similarly situate, including, should the Landlord so elect, insurance to cover any loss of rental income which may be sustained by the Landlord;
- b. boiler and machinery insurance of such boilers and pressure vessels as may be installed by, or under the exclusive control of, the Landlord in the Building (other than such boilers and pressure vessels to be insured by the Tenant hereunder); and
- c. comprehensive general liability insurance against claims for bodily injury, including death and property damage in such form and subject to such deductions and exceptions as the Landlord may determine; provided that nothing in this clause will prevent the Landlord from providing or maintaining such lesser, additional or broader coverage as the Landlord may elect in its discretion.

53. The Landlord agrees to request its insurers, upon written request of the Tenant, to have all insurance taken out and maintained by the Landlord provide for waiver of the Landlord's insurers' rights of subrogation as against the Tenant when and to the extent permitted from time to time by its insurers.

### **Abandonment**

54. If at any time during the Term, the Tenant abandons the Premises or any part of the Premises, the Landlord may, at its option, enter the Premises by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, relet the Premises, or any part of the Premises, for the whole or any part of the then unexpired Term, and may receive and collect all rent payable by virtue of such reletting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired Term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the reletting. If the Landlord's right of reentry is exercised following abandonment of the premises by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Premises to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

### **Subordination and Attornment**

55. This Lease and the Tenant's rights under this Lease will automatically be subordinate to any mortgage or mortgages, or encumbrance resulting from any other method of financing or refinancing, now or afterwards in force against the Lands or Building or any part of the Lands or

Building, as now or later constituted, and to all advances made or afterwards made upon such security; and, upon the request of the Landlord, the Tenant will execute such documentation as may be required by the Landlord in order to confirm and evidence such subordination.

56. The Tenant will, in the event any proceedings are brought, whether in foreclosure or by way of the exercise of the power of sale or otherwise, under any other mortgage or other method of financing or refinancing made by the Landlord in respect of the Building, or any portion of the Building, attorn to the encumbrancer upon any such foreclosure or sale and recognize such encumbrancer as the Landlord under this Lease, but only if such encumbrancer will so elect and require.
57. Upon the written request of the Tenant, the Landlord agrees to request any mortgagee or encumbrancer of the Lands (present or future) to enter into a non-disturbance covenant in favour of the Tenant, whereby such mortgagee or encumbrancer will agree not to disturb the Tenant in its possession and enjoyment of the Premises for so long as the Tenant is not in default under this Lease.

### **Registration of Caveat**

58. The Tenant will not register this Lease, provided, however, that:
- a. The Tenant may file a caveat respecting this Lease but will not be entitled to attach this Lease, and, in any event, will not file such caveat prior to the commencement date of the Term. The caveat will not state the Base Rent or any other financial provisions contained in this Lease.
  - b. If the Landlord's permanent financing has not been fully advanced, the Tenant covenants and agrees not to file a caveat until such time as the Landlord's permanent financing has been fully advanced.

### **Estoppel Certificate and Acknowledgement**

59. Whenever requested by the Landlord, a mortgagee or any other encumbrance holder or other third party having an interest in the Building or any part of the Building, the Tenant will, within ten (10) days of the request, execute and deliver an estoppel certificate or other form of certified acknowledgement as to the Commencement Date, the status and the validity of this Lease, the state of the rental account for this Lease, any incurred defaults on the part of the Landlord alleged by the Tenant, and such other information as may reasonably be required.

### **Sale by Landlord**

60. In the event of any sale, transfer or lease by the Landlord of the Building or any interest in the Building or portion of the Building containing the Premises or assignment by the Landlord of this Lease or any interest of the Landlord in the Lease to the extent that the purchaser, transferee, tenant or assignee assumes the covenants and obligations of the Landlord under this Lease, the Landlord will without further written agreement be freed and relieved of liability under such covenants and

obligations. This Lease may be assigned by the Landlord to any mortgagee or encumbrancee of the Building as security.

### **Tenant's Indemnity**

61. The Tenant will and does hereby indemnify and save harmless the Landlord of and from all loss and damage and all actions, claims, costs, demands, expenses, fines, liabilities and suits of any nature whatsoever for which the Landlord will or may become liable, incur or suffer by reason of a breach, violation or nonperformance by the Tenant of any covenant, term or provision hereof or by reason of any construction or other liens for any work done or materials provided or services rendered for alterations, improvements or repairs, made by or on behalf of the Tenant to the Premises, or by reason of any injury occasioned to or suffered by any person or damage to any property, or by reason of any wrongful act or omission, default or negligence on the part of the Tenant or any of its agents, concessionaires, contractors, customers, employees, invitees or licensees in or about the Building, or any losses caused, or contributed to, by any trespasser while that trespasser is on the Premises.
62. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss, injury, or damage to persons or property resulting from falling plaster, steam, electricity, water, rain, snow or dampness, or from any other cause.
63. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss or damage caused by acts or omissions of other tenants or occupants, their employees or agents or any persons not the employees or agents of the Landlord, or for any damage caused by the construction of any public or quasi-public works, and in no event will the Landlord be liable for any consequential or indirect damages suffered by the Tenant.
64. It is agreed between the Landlord and the Tenant that the Landlord will not be liable for any loss, injury or damage caused to persons using the Common Areas and Facilities or to vehicles or their contents or any other property on them, or for any damage to property entrusted to its or their employees, or for the loss of any property by theft or otherwise, and all property kept or stored in the Premises will be at the sole risk of the Tenant.

### **Liens**

65. The Tenant will immediately upon demand by the Landlord remove or cause to be removed and afterwards institute and diligently prosecute any action pertinent to it, any builders' or other lien or claim of lien noted or filed against or otherwise constituting an encumbrance on any title of the Landlord. Without limiting the foregoing obligations of the Tenant, the Landlord may cause the same to be removed, in which case the Tenant will pay to the Landlord as Additional Rent, such cost including the Landlord's legal costs.

## **Legal Fees**

66. All costs, expenses and expenditures including and without limitation, complete legal costs incurred by the Landlord on a solicitor/client basis as a result of unlawful detainer of the Premises, the recovery of any rent due under the Lease, or any breach by the Tenant of any other condition contained in the Lease, will forthwith upon demand be paid by the Tenant as Additional Rent. All rents including the Base Rent and Additional Rent will bear interest at the rate of twelve (12%) per cent per annum from the due date until paid.

## **Governing Law**

67. It is the intention of the Parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the Province of Ontario, without regard to the jurisdiction in which any action or special proceeding may be instituted.

## **Severability**

68. If there is a conflict between any provision of this Lease and the applicable legislation of the Province of Ontario (the 'Act'), the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.
69. If there is a conflict between any provision of this Lease and any form of lease prescribed by the Act, that prescribed form will prevail and such provisions of the lease will be amended or deleted as necessary in order to comply with that prescribed form. Further, any provisions that are required by that prescribed form are incorporated into this Lease.

## **Amendment of Lease**

70. Any amendment or modification of this Lease or additional obligation assumed by either party to this Lease in connection with this Lease will only be binding if evidenced in writing signed by each party or an authorized representative of each party.

## **Assignment and Subletting**

71. The Tenant will not assign this Lease in whole or in part, nor sublet all or any part of the Premises, nor grant any license or part with possession of the Premises or transfer to any other person in whole or in part or any other right or interest under this Lease (except to a parent, subsidiary or affiliate of the Tenant), without the prior written consent of the Landlord in each instance, which consent will

not be unreasonably withheld so long as the proposed assignment or sublease complies with the provisions of this Lease.

72. Notwithstanding any assignment or sublease, the Tenant will remain fully liable on this Lease and will not be released from performing any of the terms, covenants and conditions of this Lease.
73. If the Lease is assigned or if the Premises or any part of the Premises are sublet or occupied by anyone other than the Tenant, the Landlord may collect rent directly from the assignee, subtenant or occupant, and apply the net amount collected, or the necessary portion of that amount, to the rent owing under this Lease.
74. The prohibition against assigning or subletting without the consent required by this Lease will be constructed to include a prohibition against any assignment or sublease by operation of law.
75. The consent by the Landlord to any assignment or sublease will not constitute a waiver of the necessity of such consent to any subsequent assignment or sublease.

### **Bulk Sale**

76. No bulk sale of goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent will not be unreasonably withheld so long as the Tenant and the Purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations in this Lease will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

### **Damage to Premises**

77. If the Premises, or any part of the Premises, will be partially damaged by fire or other casualty not due to the Tenant's negligence or wilful act or that of the Tenant's employee, family, agent, or visitor, the Premises will be promptly repaired by the Landlord and there will be an abatement of rent corresponding with the time during which, and the extent to which, the Premises may have been untenable. However, if the Premises should be damaged other than by the Tenant's negligence or wilful act or that of the Tenant's employee, family, agent, or visitor to the extent that the Landlord decides not to rebuild or repair, the term of this Lease will end and the Rent will be prorated up to the time of the damage.

### **Force Majeure**

78. In the event that the Landlord or the Tenant will be unable to fulfill, or shall be delayed or prevented from the fulfillment of, any obligation in this Lease by reason of municipal delays in providing necessary approvals or permits, the other party's delay in providing approvals as required in this Lease, strikes, third party lockouts, fire, flood, earthquake, lightning, storm, acts of God or our Country's enemies, riots, insurrections or other reasons of like nature beyond the reasonable control



of the party delayed or prevented from fulfilling any obligation in this Lease (excepting any delay or prevention from such fulfillment caused by a lack of funds or other financial reasons) and provided that such party uses all reasonable diligence to overcome such unavoidable delay, then the time period for performance of such an obligation will be extended for a period equivalent to the duration of such unavoidable delay. municipal delays in providing necessary approvals or permits, the other party's delay in providing approvals as required in this Lease, strikes, third party lockouts, fire, flood, earthquake, lightning, storm, acts of God or our Country's enemies, riots, insurrections or other reasons of like nature beyond the reasonable control of the party delayed or prevented from fulfilling any obligation in this Lease (excepting any delay or prevention from such fulfillment caused by a lack of funds or other financial reasons) and provided that such party uses all reasonable diligence to overcome such unavoidable delay, then the time period for performance of such an obligation will be extended for a period equivalent to the duration of such unavoidable delay.

### **Eminent Domain and Expropriation**

79. If during the Term, title is taken to the whole or any part of the Building by any competent authority under the power of eminent domain or by expropriation, which taking, in the reasonable opinion of the Landlord, does not leave a sufficient remainder to constitute an economically viable building, the Landlord may at its option, terminate this Lease on the date possession is taken by or on behalf of such authority. Upon such termination, the Tenant will immediately deliver up possession of the Premises, Base Rent and any Additional Rent will be payable up to the date of such termination, and the Tenant will be entitled to be repaid by the Landlord any rent paid in advance and unearned or an appropriate portion of that rent. In the event of any such taking, the Tenant will have no claim upon the Landlord for the value of its property or the unexpired portion of the Term, but the Parties will each be entitled to separately advance their claims for compensation for the loss of their respective interests and to receive and retain such compensation as may be awarded to each respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account for that award to the Tenant and vice versa.

### **Condemnation**

80. A condemnation of the Building or any portion of the Premises will result in termination of this Lease. The Landlord will receive the total of any consequential damages awarded as a result of the condemnation proceedings. All future rent instalments to be paid by the Tenant under this Lease will be terminated.

### **Tenant's Repairs and Alterations**

81. The Tenant covenants with the Landlord to occupy the Premises in a tenant-like manner and not to permit waste. The Tenant will at all times and at its sole expense, subject to the Landlord's repair,

maintain and keep the Premises, reasonable wear and tear, damage by fire, lightning, tempest, structural repairs, and repairs necessitated from hazards and perils against which the Landlord is required to insure excepted. Without limiting the generality of the foregoing, the Tenant will keep, repair, replace and maintain all glass, wiring, pipes and mechanical apparatus in, upon or serving the Premises in good and tenantable repair at its sole expense. When it becomes (or, acting reasonably, should have become) aware of same, the Tenant will notify the Landlord of any damage to or deficiency or defect in any part of the Premises or the Building.

82. The Tenant covenants with the Landlord that the Landlord, its servants, agents and workmen may enter and view the state of repair of the Premises and that the Tenant will repair the Premises according to notice in writing received from the Landlord, subject to the Landlord's repair obligations. If the Tenant refuses or neglects to repair as soon as reasonably possible after written demand, the Landlord may, but will not be obligated to, undertake such repairs without liability to the Tenant for any loss or damage that may occur to the Tenant's merchandise, fixtures or other property or to the Tenant's business by such reason, and upon such completion, the Tenant will pay, upon demand, as Additional Rent, the Landlord's cost of making such repairs plus fifteen percent (15%) of such cost for overhead and supervision.
83. The Tenant will keep in good order, condition and repair the non-structural portions of the interior of the Premises and every part of those Premises, including, without limiting the generality of the foregoing, all equipment within the Premises, fixtures, walls, ceilings, floors, windows, doors, plate glass and skylights located within the Premises. Without limiting the generality of the foregoing, the Tenant will keep, repair, replace and maintain all glass, wiring, pipes and mechanical apparatus in, upon or serving the Premises in good and tenantable repair at its sole expense. When it becomes (or, acting reasonably, should have become) aware of same, the Tenant will notify the Landlord of any damage to or deficiency or defect in any part of the Premises or the Building. The Tenant will not use or keep any device which might overload the capacity of any floor, wall, utility, electrical or mechanical facility or service in the Premises or the Building.
84. The Tenant will not make or permit others to make alterations, additions or improvements or erect or have others erect any partitions or install or have others install any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades, awnings, exterior decorations or make any changes to the Premises or otherwise without first obtaining the Landlord's written approval thereto, such written approval not to be unreasonably withheld in the case of alterations, additions or improvements to the interior of the Premises.
85. The Tenant will not install in or for the Premises any special locks, safes or apparatus for air-conditioning, cooling, heating, illuminating, refrigerating or ventilating the Premises without first obtaining the Landlord's written approval thereto. Locks may not be added or changed without the prior written agreement of both the Landlord and the Tenant.

86. When seeking any approval of the Landlord for Tenant repairs as required in this Lease, the Tenant will present to the Landlord plans and specifications of the proposed work which will be subject to the prior approval of the Landlord, not to be unreasonably withheld or delayed.
87. The Tenant will promptly pay all contractors, material suppliers and workmen so as to minimize the possibility of a lien attaching to the Premises or the Building. Should any claim of lien be made or filed the Tenant will promptly cause the same to be discharged.
88. The Tenant will be responsible at its own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Premises.

### **Landlord's Repairs**

89. The Landlord covenants and agrees to effect at its expense repairs of a structural nature to the structural elements of the roof, foundation and outside walls of the Building, whether occasioned or necessitated by faulty workmanship, materials, improper installation, construction defects or settling, or otherwise, unless such repair is necessitated by the negligence of the Tenant, its servants, agents, employees or invitees, in which event the cost of such repairs will be paid by the Tenant together with an administration fee of fifteen percent (15%) for the Landlord's overhead and supervision.

### **Care and Use of Premises**

90. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Premises.
91. Vehicles which the Landlord reasonably considers unsightly, noisy, dangerous, improperly insured, inoperable or unlicensed are not permitted in the Tenant's parking stall(s), and such vehicles may be towed away at the Tenant's expense. Parking facilities are provided at the Tenant's own risk. The Tenant is required to park in only the space allotted to them.
92. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
93. The Tenant will dispose of its trash in a timely, tidy, proper and sanitary manner.
94. The Tenant will not engage in any illegal trade or activity on or about the Premises.
95. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.
96. The hallways, passages and stairs of the Building in which the Premises are situated will be used for no purpose other than going to and from the Premises and the Tenant will not in any way encumber those areas with boxes, furniture or other material or place or leave rubbish in those areas and other areas used in common with any other tenant.

## **Surrender of Premises**

97. The Tenant covenants to surrender the Premises, at the expiration of the tenancy created in this Lease, in the same condition as the Premises were in upon delivery of possession under this Lease, reasonable wear and tear, damage by fire or the elements, and unavoidable casualty excepted, and agrees to surrender all keys for the Premises to the Landlord at the place then fixed for payment of Rent and will inform the Landlord of all combinations to locks, safes and vaults, if any. All alterations, additions and improvements constructed or installed in the Premises and attached in any manner to the floor, walls or ceiling, including any leasehold improvements, equipment, floor covering or fixtures (including trade fixtures), will remain upon and be surrendered with the Premises and will become the absolute property of the Landlord except to the extent that the Landlord requires removal of such items. If the Tenant abandons the Premises or if this Lease is terminated before the proper expiration of the Term due to a default on the part of the Tenant then, in such event, as of the moment of default of the Tenant all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) will, except to the extent the Landlord requires the removal of such items, become and be deemed to be the property of the Landlord without indemnity to the Tenant and as liquidated damages in respect of such default but without prejudice to any other right or remedy of the Landlord. Notwithstanding that any trade fixtures, furnishings, alterations, additions, improvements or fixtures are or may become the property of the Landlord, the Tenant will immediately remove all or part of the same and will make good any damage caused to the Premises resulting from the installation or removal of such fixtures, all at the Tenant's expense, should the Landlord so require by notice to the Tenant. If the Tenant, after receipt of such notice from the Landlord, fails to promptly remove any trade fixtures, furnishings, alterations, improvements and fixtures in accordance with such notice, the Landlord may enter into the Premises and remove from the Premises all or part of such trade fixtures, furnishings, alterations, additions, improvements and fixtures without any liability and at the expense of the Tenant, which expense will immediately be paid by the Tenant to the Landlord. The Tenant's obligation to observe or perform the covenants contained in this Lease will survive the expiration or other termination of the Term.

## **Hazardous Materials**

98. The Tenant will comply with all laws, regulations, and other rules regarding any article or thing of a dangerous, flammable, or explosive character and the protection of the environment, and will:
- a. comply, at its own cost, with any laws, regulations, rules, or government authority, with the approval of the Landlord;
  - b. immediately notify the Landlord in writing of any release or discharge of any such article or thing in or around the Premises;

- c. remedy any damage caused by of any release or discharge of any such article or thing in or around the Premises, with the approval of the Landlord; and
- d. if requested by the Landlord, obtain, at its own cost, a report from an independent consultant verifying compliance or removal of any such article or thing.

### **Rules and Regulations**

99. The Tenant will obey all rules and regulations posted by the Landlord regarding the use and care of the Building, parking lot and other common facilities that are provided for the use of the Tenant in and around the Building on the Premises.

### **Address for Notice**

100. For any matter relating to this tenancy, whether during or after this tenancy has been terminated:
- a. the address for service of the Tenant is the Premises during this tenancy, and 101 Rolph Road, Baltimore, ON, K0K1C0 after this tenancy is terminated. The phone number of the Tenant is (289) 677-4657 and
  - b. the address for service of the Landlord is 101 Rolph Road, Baltimore, ON, K0K 1C0, both during this tenancy and after it is terminated. The phone number of the Landlord is (647) 526-5899.

The Landlord or the Tenant may, on written notice to each other, change their respective addresses for notice under this Lease.

### **No Waiver**

101. No provision of this Lease will be deemed to have been waived by the Landlord unless a written waiver from the Landlord has first been obtained and, without limiting the generality of the foregoing, no acceptance of rent subsequent to any default and no condoning, excusing or overlooking by the Landlord on previous occasions of any default nor any earlier written waiver will be taken to operate as a waiver by the Landlord or in any way to defeat or affect the rights and remedies of the Landlord.

### **Landlord's Performance**

102. Notwithstanding anything to the contrary contained in this Lease, if the Landlord is delayed or hindered or prevented from the performance of any term, covenant or act required under this Lease by reason of strikes, labour troubles, inability to procure materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God or other reason, whether of a like nature or not, which is not the fault of the Landlord, then

performance of such term, covenant or act will be excused for the period of the delay and the Landlord will be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay.

### **Limited Liability Beyond Insurance Coverage**

103. Notwithstanding anything contained in this Lease to the contrary, for issues relating to this Lease, presuming the Landlord obtains its required insurance, the Landlord will not be liable for loss of Tenant business income, Tenant moving expenses, and consequential, incidental, punitive and indirect damages which are not covered by the Landlord's insurance.

### **Remedies Cumulative**

104. No reference to or exercise of any specific right or remedy by the Landlord will prejudice or preclude the Landlord from any other remedy whether allowed at law or in equity or expressly provided for in this Lease. No such remedy will be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

### **Landlord May Perform**

105. If the Tenant fails to observe, perform or keep any of the provisions of this Lease to be observed, performed or kept by it and such failure is not rectified within the time limits specified in this Lease, the Landlord may, but will not be obliged to, at its discretion and without prejudice, rectify the default of the Tenant. The Landlord will have the right to enter the Premises for the purpose of correcting or remedying any default of the Tenant and to remain until the default has been corrected or remedied. However, any expenditure by the Landlord incurred in any correction of a default of the Tenant will not be deemed to waive or release the Tenant's default or the Landlord's right to take any action as may be otherwise permissible under this Lease in the case of any default.

### **General Provisions**


106. The Tenant authorizes the Landlord to make inquiries to any agency related to the Tenant's compliance with any laws, regulations, or other rules, related to the Tenant or the Tenant's use of the Premises. The Tenant will provide to the Landlord any written authorization that the Landlord may reasonable require to facilitate these inquiries.
107. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.

108. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recoverable by the Landlord as rental arrears.
109. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
110. The Tenant will be charged an additional amount of \$25.00 for each N.S.F. cheque or cheque returned by the Tenant's financial institution.
111. All schedules to this Lease are incorporated into and form an integral part of this Lease.
112. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Lease. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.
113. This Lease may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.
114. Time is of the essence in this Lease.
115. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party to this Lease except to the extent incorporated in this Lease. In particular, no warranties of the Landlord not expressed in this Lease are to be implied.
116. Nothing contained in this Lease is intended by the Parties to create a relationship of principal and agent, partnership, nor joint venture. The Parties intend only to create a relationship of landlord and tenant.


**Schedule A (payment schedule)**

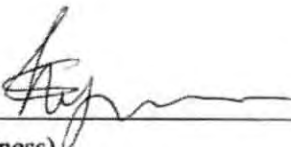
- a. 2018-2019: Base rent of \$4,000 plus operating costs etc,...
- b. 2019-2020: Base rent of \$6,000 plus operating costs etc,..
- c. 2021-2022: Base rent of \$6,000 plus operating costs etc,..
- d. 2022-2023: Base rent of \$12,000 plus operating costs etc,

**IN WITNESS WHEREOF** the Parties to this Lease have duly affixed their signatures under hand and seal, or by a duly authorized officer under seal, on this 29th day of April, 2018 .

  
\_\_\_\_\_  
(Witness)

Mill Valley Estates (Landlord)

Per:  (SEAL)

  
\_\_\_\_\_  
(Witness)

Oasis Global Inc. (Tenant)

Per:  (SEAL)



CHRISCWE HOLDINGS INC.  
Plaintiff

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

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD OF THE RECEIVER**

**SCALZI PROFESSIONAL CORPORATION**  
20 Caldari Road, Unit #2  
Vaughan, ON L4K 4N8  
**Gary Caplan (19805G)**  
E: gcaplan.scalzilaw@outlook.com  
**Aram Simovonian (73974D)**  
E: asimovonian.scalzilaw@outlook.com  
T: 647.677.8009 (direct)

Lawyers for the Receiver