

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF
DEL EQUIPMENT INC.

Applicant

RESPONDING AND CROSS-MOTION RECORD OF THE RESPONDING PARTY
GIN-COR INDUSTRIES INC.
Returnable November 5, 2019

November 4, 2019

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INDEX

INDEX

1. Notice of Cross-Motion
2. Affidavit of Renzo Silveri
 - A Exhibit "A" - Statement of Accounts' Receivable as at October 22, 2019
 - B Exhibit "B" - Term Sheet dated April 11, 2017
 - C Exhibit "C" - Shareholders' Agreement dated April 30, 2018
 - D Exhibit "D" -Full and Final Release
 - E Exhibit "E" -Sublease
 - F Exhibit "F" -Statement of Accounts' Receivable as at August 28, 2019
 - G Exhibit "G" -GCI Operating Account Transactions History
 - H Exhibit "H" -Letter to counsel with email
 - I Exhibit "I" -GCI Operating Loan Account Transaction History
 - J Exhibit "J" -Spreadsheet showing Cumulative Cash Position
 - K Exhibit "K" -Option Agreement

TAB 1

Court File No. CV-19-629552-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, C. C-36, AS AMENDED and IN THE MATTER OF A
PLAN OF ARRANGEMENT OF DEL EQUIPMENT INC.

Applicant

NOTICE OF CROSS- MOTION

The non-party, Gin-Cor Industries Inc. ("Gin-Cor") will make a cross-motion to the Honourable Justice Hainey or another Judge presiding over the Commercial List on Tuesday, November 5, 2019 at 9:30 a.m., or as soon after that time as the motion can be heard at the court house, 330 University Avenue, 9th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The motion is to be heard (choose appropriate option)

in writing under subrule 37.12.1(1) because it is (insert one of on consent, unopposed or made without notice);

- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

THE MOTION IS FOR (State here the precise relief sought)

- (a) An Order abridging the time required to serve and file this Notice of Motion and supporting materials;
- (b) An Order setting aside or varying the *ex parte* Order of Justice Hainey granted in this action on October 22, 2019 requiring the moving party, Gin-Cor Industries Inc. ("Gin-Cor") to pay to the monitor, MNP Ltd., the sum of \$874,107.08;
- (c) Alternatively, an Order suspending the operation of the Order of Justice Hainey dated October 22, 2019;
- (d) Its costs of this motion on a substantial indemnity scale, together with applicable disbursements and taxes; and
- (e) Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE (Specify the grounds to be argued, including a reference to any statutory provision or rule to be relied on)

- (a) Paragraph 6 of the Order of Justice Hainey provides that it is without prejudice to any argument that Gin-Cor may wish to make on a motion to vary or set aside the said order;

- (b) Paragraph 7 of the Order of Justice Hainey provides that Gin-Cor may bring this motion to vary or set aside the said Order on seven (7) days' notice, providing any such motion is brought no later than November 14, 2019;
- (c) Rule 59.06(1) of the *Rules of Civil Procedure* provides that the Court may amend an Order concerning any matter upon which the Court did not adjudicate;
- (d) Rule 37.14(1) of the *Rules of Civil Procedure* provides that a party or any person who is affected by an order obtained on motion without notice, may move to vary the order, by a notice of motion that is served forthwith after the order comes to the person's attention;
- (e) Rule 37.14(2) of the *Rules of Civil Procedure* provides that on a motion under Rule 37.14(1) the Court may set aside or vary the order on such terms as are just;
- (f) Pursuant to Rule 37.14(4) of the *Rules of Civil Procedure* a motion to set aside an order of a Judge shall be made to the order or to any other judge in accordance with Rule 37.03;
- (g) The moving party, Gin-Cor, received the Order on October 22, 2019. On October 25, 2019, Gin-Cor's counsel advised the Applicant's counsel that Gin-Cor could not comply with the Order as the funds had been co-mingled and disbursed prior to the date of the Order. On October 29, 2019, Gin-

Cor's counsel provided a complete copy of Gin-Cor's bank statement (from August 28 to October 22, 2019) which demonstrated that: (a) the payment from Mack Defense in the aggregate sum of \$874,107.08 was immediately co-mingled when it received by Gin-Cor; (b) that such funds had been disbursed prior to receipt of the Order of Justice Hainey; and (c) that such funds were no longer available to satisfy the Order of Justice Hainey.

- (h) An Order under Rule 45.02 of the *Rules of Civil Procedure* should only issue where the plaintiff asserts a claim to a specific fund. The weight of the jurisprudence confirms that a "specific fund" can only be found to exist and therefore an order under Rule 45.02 can only be made where the "specific fund" has not been co-mingled;
- (i) Moreover, an order under Rule 45.02 can only be made where the "specific fund" still exists as at the date of the Order. The Court will not require a defendant to borrow fresh or separate funds in order to comply with a Rule 45.02 order. The effect of the order in this case will require Gin-Cor to borrow separate funds in order to comply with the order of Justice Hainey;
- (j) Given that DEL was truly and justly indebted to Gin-Cor (and has not denied such indebtedness) the balance of convenience favours an order setting aside the Rule 45.02 order;

- (k) Gin-Cor has not been unjustly enriched by reason of receiving the payment from Mack Defense. DEL's pre-existing indebtedness to Gin-Cor is a juristic reason to retain such payment; and
- (l) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion: (List the affidavits or other documentary evidence to be relied on)

- (a) The Affidavit of Renzo Silveri sworn November 4, 2019, together with attached Exhibits; and
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

November 4, 2019

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RCP-E 37A (July 1, 2007)

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED
et al.
Applicant

Court File No. CV-19-629552-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF CROSS-MOTION

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Lawyers for the non-party,
Gin-Cor Industries Inc.

RCP-E 4C (May 1, 2016)

TAB 2

Court File No. CV-19-629552-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF ARRANGEMENT OF
DEL EQUIPMENT INC.

AFFIDAVIT OF RENZO SILVERI

I, **RENZO SILVERI**, of the City of North Bay, Ontario, make oath and say as follows:

1. I am the Chief Operating Officer of Gin-Cor Industries Inc. ("GCI"). Unless otherwise stated herein, I have personal knowledge of the matters to which I hereinafter depose. Where I have relied on information from others in making this affidavit, I have specified the source of such information and, in each such case, I verily believe such information to be true.

Nature of Motion and Purpose of Affidavit

2. The Applicant sought and obtained an Order, without notice, on October 22, 2019, requiring GCI, to pay to the Monitor, MNP Ltd., the sum of \$874,107.78 (the "Mack Payment"), pursuant to Rule 45.02 of the *Rules of Civil Procedure*.¹

¹ The Mack Payment was received in two (2) separate payments in the sums of \$62,402.33 on August 29, 2019 and \$811,669.75 on September 5, 2019.

3. This Affidavit is sworn in response to the initial *ex parte* motion and in support of a request that the Order of Justice Hainey be set aside, varied or otherwise suspended, or alternatively to explain why GCI has not and cannot comply with the provisions of the said Order.^{2,3}

4. After the Mack Payment was received and prior to the receipt of any demand, the Mack Payment was immediately commingled and then disbursed to pay pre-existing, arms-length, third party creditors in the ordinary course of GCI's business.

5. It is, therefore, not possible for GCI to comply with the provisions of the Order as the "*specific fund*" to which the Order is directed no longer exists.

6. I have reviewed the Affidavit of Douglas Lucky sworn October 20, 2019 (the "Lucky Affidavit")⁴, which was relied upon in support of the rule 45.02 motion. I disagree with much of the contents of the same. I will address certain portions of the Lucky Affidavit. My failure to address each passage of the Lucky Affidavit should not be construed that GCI agrees with the same.

² ¶6 of the Order of Hainey J. was made specifically without prejudice to any argument that Gin-Cor may wish to make on a motion to vary or set aside that Order.

³ ¶7 of the Order of Hainey J. provides that Gin-Cor may bring a Motion to vary or set aside that Order on seven (7) days' notice, providing any such motion is brought no later than November 14, 2019.

⁴ CCAA Application Record at tab 4.

Background

GCI's and the GinCor Group's Business

7. GGI operates in the same field, competitively, with DEL Equipment Inc. ("DEL").
8. GGI has approximately seventy (70) employees through its facilities in Mattawa, Kingston and Carleton Place.
9. The complete GinCor group of companies consists of GCI, Durabody Industries, JC Trailers, GinCor Trailer Werx and 210 Harry Walker Parkway. Said group will be hereinafter referred to as the "GinCor Group".
10. The GinCor Group employs approximately 270 full-time employees.

Amounts Outstanding from DEL to the GinCor Group

11. After the application of the Mack Payment, DEL still owes the GinCor Group the sum of \$650,620.07. Attached hereto as Exhibit "A" is a current statement (exclusive of interest) of amounts outstanding from DEL to GinCor Group.
12. This represents approximately 26% of the GinCor Group's monthly revenue and approximately 11% of its outstanding accounts' receivables. The failure and now refusal of DEL to make payment of the \$650,620.07 continues to negatively impact on the GinCor Group's cash flow and business operations.

The DEL/GCI Transaction

13. Various entities, including GCI and Diesel Equipment Limited (“DIESEL”)⁵ entered into a term sheet on April 11, 2017 for the operation of DEL. One of the primary objectives of this relationship was to “turn around the operations of DEL so that it would become a profitable, sustainable organization that would have a successful future”. Despite Mr. Lucky’s evidence that DEL had a breakeven EBITDA in June 2017⁶, DEL was failing and this transaction was a last gasp effort to try to save its business as then constituted. Attached hereto as Exhibit “B” is a copy of the April 11, 2017 term sheet.

14. DEL’s position was further comprised by obsolete inventory it had carried on its balance sheet, prior to GCI’s involvement.⁷

15. Following further negotiations, a shareholders’ agreement was entered into on or about April 30, 2018 which turned over operational control of DEL to GCI⁸. Attached hereto as Exhibit “C” is a copy of the shareholders’ agreement.

Termination of DEL/GCI Transaction

16. The relationship did not fare well and eventually GCI was displaced from operational management and control.

⁵ Identified as DEL’s 100% shareholder and DEL’s secured creditor in ¶16 and ¶43 of the Lucky Affidavit.

⁶ ¶6 of the Lucky Affidavit.

⁷ Exhibit “A” to the Lucky Affidavit at note 7.

⁸ Through a related entity, GCD Holdings (2017) Limited.

17. Subsequently, the parties to the shareholders' agreement entered into a Full and Final Mutual Release which released all matters as between them save and except trade debts for services provided in the ordinary course of business. This included amounts outstanding from DEL to the GinCor Group for goods purchased by DEL from the GinCor Group, as well as rents outstanding from DEL. Attached hereto as Exhibit "D" is a copy of the Full and Final Release.

DEL Rental Arrears

18. GCI, as tenant, entered into a lease with Tilzen Holdings Limited for the lease of the space known municipally as 210 Harry Walker Parkway North, Newmarket, Ontario (the "Leased Premises"). GGI assigned its rights under the lease to 210 Harry Walker Holdings Inc. The assignee, 210 Harry Walker Holdings Inc. then entered into a sublease with DEL. Attached hereto as Exhibit "E" is a copy of the unexecuted sublease between DEL and 210 Harry Walker Holdings Inc.

19. Consistent with paragraph 26 of Mr. Lucky's affidavit, I agree that the parties have been conducting themselves in conformity with the draft unexecuted sublease lease. The material terms of such sub-lease are:

- a. Term: 10 years commencing December 1, 2017 through to November 30, 2027 (Article I);
- b. Basic Rents⁹ (s3.1 and Schedule "A"):
 - i. May 1, 2018 - March 31, 2019 \$61,571/month

⁹ Based on the percentage of space of the building utilized by DEL and not 50% as set out in ¶26 of the Lucky Affidavit.

ii.	April 1 - June 30, 2019	\$53,773/month
iii.	July 1, 2019 - November 30, 2020	\$46,172/month
iv.	December 1, 2020 - November 30, 2023	\$48,076/month
v.	December 1, 2023 - November 30, 2027	\$49,979/month

- c. Additional Rents - proportionate share of taxes, utilities, insurance and operating costs (s3.2).

20. As the Applicant has conceded¹⁰ DEL has not paid rents for July, August and September, 2019 to the GinCor Group (specifically 210 Harry Walker Holdings Inc.). Additionally, the October 2019 rent is also owing.

21. As of October 22, 2019, DEL was indebted to the GinCor Group (or its related company, 210 Harry Walker Holdings Inc.) for the rents totalling \$412,693.

22. Further and despite the CCAA Order, DEL has short paid basic rents for the period from and after October 23, 2019 through to November 15, 2019 in the amount of \$7,345.00

23. Beyond the rental arrears, DEL owes the GinCor Group a further \$237,927.36 for net trade payables (see Exhibit "A").

24. Prior to the receipt of the Mack Payment, DEL was also owed the following sums to various companies within the Gin-Cor Group:

25. Immediately prior to the receipt of the Mack Payment, DEL owed the GinCor Group \$1,296,206. Attached as Exhibit "F" is a statement summarizing the accounts' receivables owed by DEL to the GinCor Group.

¹⁰ ¶26 Affidavit of Douglas Lucky.

26. Following the parties having entered into a settlement agreement, both I and Luc Stang, GinCor Group's President, made attempts to engage Paul Martin, DIESEL's and DEL's principal, in order to resolve the outstanding payment issue. Despite our efforts could not obtain payment from DEL.

27. Since by this point DIESEL had acquired the Bank of Montreal's security package, it now seems clear that what it was doing was dragging matters out so that DEL would file for creditor protection with the likely result that GinCor Groups' outstanding receivables would never be paid.

GinCor Group's Pre-existing Relationship with Mack Defence

28. Independent of the DEL/GCI Transaction (see ¶13-15 above) the GinCor Group had a pre-existing supply relationship with Mack Defence LLC ("Mack Defence").

Mack Defence's Request for Payment Instructions from the GinCor Group

29. Contrary to ¶62(d) of the Lucky Affidavit, Gin-Cor did not direct Mack Defence to make a payment to it of the Mack Payment.

30. In April 2019, at Mack Defence's request, Anne-Marie Tremblay of GCI filled-in Mack Defence's payment form. At the time Mack Defence owed GCI money for its invoice 53998.¹¹

¹¹ Exhibit "C" to the Lucky Affidavit.

31. Ms. Tremblay was not asked to and did not provide payment instructions with respect to invoices issued and rendered by DEL¹²

32. GCI did receive the sum of \$874,107.08 from Mack Defense. I deny, however, that Mack Defence wired such funds based on the payment information provided by the GinCor representative.

The Mack Payment

33. The Mack Payment was received in two (2) tranches: \$62,402.33 on August 29, 2019 and \$811,669.75 on September 5, 2019.

34. It was retained by GCI and properly credited to pre-existing and legitimate debts owing by DEL to the GinCor Group.

35. Other than a vague reference to "various business disputes"¹³ between DEL and GCI, DEL does not take issue with the fact or quantum of the receivables which are owing by it to GinCor Group.

36. As noted in the Account Receivable Schedule (Exhibit "A") the GinCor Group has credited the Mack Payment against DEL's receivables, thereby reducing DEL's receivables by \$874,072.08. Despite that credit, DEL still owes the GinCor Group \$650,620.07 (exclusive of interest).

¹² It is also noteworthy that as at April 2019, no invoices for the Mack Payment had been issued by DEL until June 6, 2019. See ¶61 of the Lucky Affidavit.

¹³ ¶ 26 of the Lucky Affidavit.

37. I disagree with ¶62(g) to the Lucky Affidavit, where Mr. Lucky states, in part, that:

...Gin-Cor has taken the position that it is entitled to retain the payment amount wrongfully received from Mack Defense in order to set -off the Payment Amount against obligations of DEL to Gin-Cor, or to unilaterally retain the Payment amount as collateral for the alleged obligations owed by DEL to Gin-Cor.

38. I further disagree that the Mack Payment was “wrongfully received” by GCI. GCI innocently received such funds from Mack Defense.

39. The Mack Payment was wired by Mack Defense to GCI’s current account at TD Bank, without its prior knowledge or request.

40. When the first initial payment of \$62,402.33 was received, I was not notified as the payment was relatively modest.

41. When GCI received the subsequent payment of \$811,669.75 on September 5, 2019, I was notified of its receipt by GCI’s CFO Paul LaFontaine. As I was out of province when these funds arrived, it was not until or about September 12, 2019 that I made inquiries of our bank as to the legitimacy of the wire transfer.

42. I corresponded with Mr. Lucky and spoke with Mack Defence’s representatives Brian Happel and/or Terry Grubbe, shortly after September 12.

43. DEL has not disputed that DEL is indebted to the GinCor Group. It has made demand on Mack Defence for Mack Defence to re-issue payment to it. Mack Defense has taken the position that it was not going to re-issue another cheque and that if DEL

intended to sue Mack Defense it could only do so in Pennsylvania, USA. This position was later reflected in the letter from Mack Defense's lawyers.¹⁴

44. On September 13, 2019 I emailed Doug Lucky and told him, in part:

...As discussed between Paul M. and Luc approximately \$1,000,000 is owing from Del to the GinCor Group on account of trade receivables. Based on the funds received from Del we will require an allocation for the specific invoices that you would like to have the deposit applied, alternatively we can discuss how a portion of the trade accounts can be secured by the GinCor Group for future payment by Del.¹⁵

45. By way of context on that last point, GCI was increasingly concerned about DEL's sustainability. GCI wanted to ensure that the GinCor Group if it extended any further credit to DEL that it would be secured.

46. On September 16, 2019, Doug Lucky sent me an email stating in part:

I have been puzzling with Paul over your last email trying to figure out what the devil you are talking about in "par d" knowing that Del had not made any recent payments to you. Then it hit us. You are talking about the \$867k that DEL's customer Mack Defense sent to you by mistake. This is Mack's money, not DEL's, so we expect that you will be returning it.¹⁶

47. I subsequently sent two (2) further emails to Mr. Lucky by email on September 17 and 18, 2019.¹⁷

¹⁴ Exhibit "H" to the Lucky Affidavit.

¹⁵ Exhibit "E" to the Lucy Affidavit (p.200).

¹⁶ *Ibid.* at p.199.

¹⁷ *Ibid.* at p.198-199.

48. Following my email exchanges with Mr. Lucky I am advised by Luc Stang that he attempted to resolve the matter of the GinCor Group's receivables and the Mack Payment with DEL's CEO (Paul Martin) on October 9, 2019. No resolution was arrived. Following that meeting Gin-Cor received a demand letter from DEL's counsel on October 10, 2019.¹⁸

Mack Payment was Immediately Commingled and Disbursed

49. Well prior to October 10, 2019, the \$874,107.78 received from Mack Defence had been commingled into GCI's operating account and used to pay out other of its normal operating expenses. The funds were never segregated.

50. A copy of the partially redacted account statement, for GCI's operating account for the period August 28 to October 24, 2019, is attached hereto as Exhibit "G". The notation BCRS is a reference to GCI's operating line.

51. This transaction history was sent to counsel for DEL and the Monitor under cover of a letter from our counsel dated October 29, 2019. Attached hereto as Exhibit "H" is a copy of that letter, together with the covering email.

52. Attached hereto as Exhibit "I" is a copy of the transaction history for GCI's operating loan account for the period August 31 - October 31, 2019 which shows advances and repayments.

¹⁸ Exhibit "G" to the Lucky Affidavit.

53. Attached hereto as Exhibit "J" is a spreadsheet showing the cumulative cash position of GCI (combining the operating account and operating loan balances) for the period August 29 - October 24, 2019.

54. The spreadsheet discloses the following:

- a. August 28, 2019 being the date the first of the Mack Payment was received, GCI's cash was \$(2,690,024);
- b. September 5, 2019, being the date the second of the Mack Payments was received, GCI's cash position was \$(1,166,919);
- c. September 16, 2019, being the date Doug Lucky advised that GCI should return the Mack Payment to Mack Defence, GCI's cash position was \$(1,761,710);
- d. October 10, 2019, being the date of Goodmans' demand letter, GCI's cash position was \$(526,898); and
- e. October 23, 2019, being the date of Justice Hainey's Order, GCI's cash position was \$(354,733)

55. Between August 28 and October 22, 2019, GCI has had the following grouped operating expenses:

- a. Payroll of \$834,735.44; and
- b. Trade payables to arms-length third party suppliers of \$4,243,817.25.

56. From the period August 28 to October 22, 2019, there were over 500 hundred transactions through GCI's operating account (which, although a heavy volume, is typical). Receipts and disbursements each exceeded \$10,000,000, during this period, which again is typical. Given the volume and the nature of the transactions, it is not

possible to identify a specific fund from the Mack Payment. Moreover, as referenced above, the Mack Payments have been disbursed and are no longer available.

Prejudicial Actions taken by DEL post filing

57. Reviewing paragraphs 23 and 24 of the Lucky Affidavit, it appears that DEL has already completed the sale of the hydraulics' business including certain manufacturing equipment to an entity related to DIESEL (i.e. Del Hydraulics, Inc.) for the sum of \$588,721. That sale price is substantially below what ought to have been received for that hydraulics business.

58. Attached hereto is an Option Agreement pursuant to which CGD Holdings (2017) Limited¹⁹ was granted a right to acquire the shares of Del Hydraulics, Inc. The exercise price of this option was formulaic and I estimate that it was between \$3,000,000 - \$4,000,000.

59. The majority of the manufacturing and intellectual property undertaken and used by Del Hydraulics, Inc. was undertaken by DEL at its operations at 210 Harry Walker Parkway, Newmarket, Ontario. DEL Hydraulics, Inc. then sold the manufactured goods into the U.S. marketplace from its operations in Buffalo, New York after acquiring them on favourable transfer pricing terms from DEL.

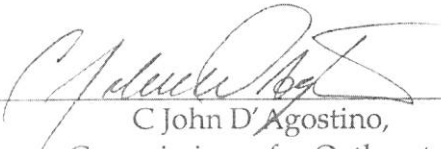
¹⁹ A related company to GCI and the GinCor company which was party to the shareholders' agreement (¶13 - 15 above)

60. The actual value of DEL Hydraulics Inc.'s business was in the equipment and intellectual property previously owned by DEL.

61. By stripping these assets out of DEL and selling them to Del Hydraulics, Inc., at such a low value it is my view that the creditors of DEL have been prejudiced.

62. I make this Affidavit in response to DEL's motion for a preservation Order and GCI's motion to set aside, vary or otherwise suspend the *ex parte* Order, and for no improper purpose.

SWORN BEFORE ME at the City of North Bay, in the Province of Ontario on November 3, 2019

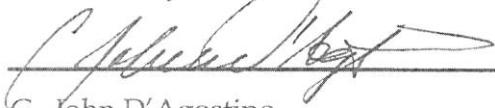

C John D'Agostino,
Commissioner for Oaths, etc.


RENZO SILVERI

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

TAB A

Exhibit "A" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

**C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q**

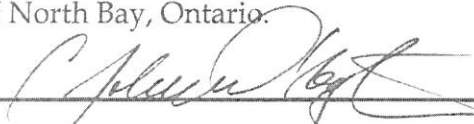
Gincor Werx - Del Equipment Inc. - Summary of Accounts Receivable
As at 2019-10-22

GCI Books	Del
Accounts Receivable	814,303.97
Payment Received from Mack Defense	- 874,072.08
Net amount owing	- 59,768.11
DIL Books	Del
Accounts Receivable	567,807.81
JCT Books	Del
Accounts Receivable	50,208.17
210 HW Books	Del
Accounts Receivable	412,692.71
DBIL	Del
Accounts Receivable	20,965.48
Gincor Werx (All Companies above)	Del
Net Accounts Receivables Owing from Del	991,906.06

Breakdown of Net Amounts Owing from Del	Del
Rent - 210 HWP Newmarket	412,692.71
Trade Receivables	579,213.35
Trade Payables -	341,285.99
	<u>650,620.07</u>

TAB B

Exhibit "B" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
155C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

**Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017**

Partnership¹:

“Partnership” refers to the agreement between Gin-Cor Industries Inc. and Diequip Limited in relation to the ownership and operation of Del Equipment Limited.

Partnership Objectives and Financing Arrangements:

1. Turn around the operations of DEL to become a profitable, sustainable organization that will have a successful future.
2. Maintain the long successful legacy of DEL in as many locations as possible based on a profitable and sustainable business model.
3. Repay significant portions of related party loans that have been advanced to DEL in the last few years.
4. Release the current principals from the obligations related to both the Bank debt and those to the OEM's. There will need to be an undertaking between Gin-Cor and DEL Group of companies concerning the release of other companies from the “joint and several” commitments in the event that they enter into their own banking arrangements (e.g. Unicell seeks to obtain financing independent of DEL). The parties hereto understand that GinCor will not be required to satisfy the prior commitments of the released principal parties.
5. At the point where Sky owns 51% (and has responsibility for banking), there will need to be an undertaking between Gin-Cor and the DEL Group of companies concerning the release of companies beyond DEL from the “joint and several” commitments.
6. The OEM pool agreements require consent to “assign or delegate” the pool agreements. With advice from counsel, there may only be a need to inform the OEM's of the partnership arrangements. The related financing (e.g. RBC) have a clause indicating their consent is required prior to the “sale, transfer, redemption or any other disposition” of shares – so their consent will be required prior to the closing. In any event, there needs to be open communication with the OEM's as a part of regular business conduct when the Partnership is initiated.
7. Current BMO Financial (“BMo”) reporting requirements demand information at “DEL Group” level from all operating companies. In order to respect confidentiality for Unicell and Diesel Equipment Limited (the real estate company – hereinafter “Diesel”), primary banking relationships will be transferred to Diesel, or similar structuring. Following the transaction, Diesel will freeze the existing intercompany accounts and implement a tracking mechanism of each company's share (including

¹ In this document:

The “DEL Group” of companies consists of the following corporate entities: “Diesel Equipment Limited” is referred to as “Diesel”; “Unicell” includes both Unicell Canada Ltd. and Uncell Body Inc.; “Diequip” is Diequip Limited, a subsidiary of Diesel Equipment Limited; Diequip owns the common shares of Del Equipment Limited, the upfitting company referred to in this document as “DEL”; Del Hydraulics, Inc. or “DHI” is owned by Holt Industries, Inc., which in turn is owned by Diequip. “Partnership” refers to the agreement between Gin-Cor Industries Inc. (hereinafter “Gin-Cor”) and Diequip in relation to the ownership of Del Equipment Limited.

**Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017**

DEL) of their portion of the bank loan balance thereafter. Similarly, covenant calculations will be completed and tracked by each company participating in the loan facility, monthly. Reporting to BMo will be completed by Diesel or such company that is structured to be the holder of the lending relationship with BMo. (Note that virtually all of the mechanics are in place to complete this work – the work and relationships need to be transferred from DEL to Diesel or such company that is structured to be the holder of the lending relationship with BMo).

8. BMo Loan agreement requires communication concerning this transaction (any issuance or transfer of shares). DEL intends to communicate Terms Sheet with BMo once executed, likely in a meeting that would include an introduction of Gin-Cor.

Transaction Steps:

1. **GinCor acquires the following DEL shares from Diequip for nominal consideration (e.g. \$2):**
 - a. 40% of all issued and outstanding shares. The common shares issued to both GinCor and Diequip will have all the same terms and rights.
 - b. 11% of all issued and outstanding shares upon achieving predefined targets:
 - a. 3% EBITDA for a rolling 12 month period. EBITDA will need to be defined as EBITDA of the Partnership (i.e. DEL only), normalized for any one-time and restructuring expenses.
 - b. Assuming responsibility for banking facilities
2. **Gin-Cor will be allowed to purchase all the remaining shares of DEL from the respective shareholders for nominal consideration once the conditions of 1(b) above have been met, as follows:**

a. 10% of all shares after the paying down related party loans by	\$2,500,000
b. 10% of all shares after the paying down related party loans by	\$2,500,000
c. 10% of all shares after the paying down related party loans by	\$2,000,000
d. 10% of all shares after the paying down related party loans by	\$2,000,000
e. 9% of all shares after the paying down related party loans by	\$2,000,000
Total Payments:	\$ <u>11,000,000</u>

 - i. For greater certainty, upon the payment of all the above noted amounts, all the classes of shares issued and outstanding of Del will be owned by GinCor.



**Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017**

The tax treatment of the current Preferred and Special Shares² will require tax advice from Grant Thornton. To the extent that more favourable treatment for the Diesel shareholders can be achieved through an alternate structure, those alternate structures will be pursued by the Partnership participants.

- ii. GinCor will be provided an Option to acquire the remainder of all the outstanding shares at any time before June 30, 2020 at a price equivalent to the unpaid portion of the Related Party loans noted above.
 - iii. Del will be required to pay a Management Fee to Diequip starting on or about January 1, 2020, calculated on the EBITDA earned by Del subsequent to that date multiplied by the percentage of share ownership held by Diequip for each period. The Management Fee will be accrued and paid equally over the 2 years immediately subsequent to the Related Party loans being fully retired. Notwithstanding the requirements of this subsection, no Management Fee will be accrued if GinCor exercises the Option detailed in 2(ii) above.
 - iv. If cash is required by DEL to affect the continuing turnaround, cash will be injected on the basis of the then-existing share ownership ("Cash Injection Loan"). Any Cash Injection Loan will be treated as a repayable shareholder loan. Such loan will be subordinate to the BMO or other banking facility while ranking in priority to other indebtedness with companies in the DEL Group and the long term debt corresponding to the Special Shares. A Cash Injection Loan is exclusive of any other funding obligations exclusive to Gin-Cor as set out in this Term Sheet such as funding the Toronto relocation.
 - v. Del will pay for the relocation of the Toronto operation (i.e. moving costs including physical furniture and equipment moving, recruiting relocation severance, etc.) to a total maximum cap of \$1,000,000 for the employee severance liability. Diequip will be responsible for any costs that are in excess of the previously detailed maximum cap for employee severance costs. Any capital equipment purchases (e.g. building or equipment) required for the Toronto relocation will be funded by Gin-Cor.
 - vi. The timeline to complete the payments shown in 2.a. to 2.e. above will be completed within eight years of the closing (i.e. on or before May 31, 2025). Any balances outstanding after that date will be converted to an interest bearing loan assumed by and payable by Gin-Cor at the RBC prime rate +6%, calculated monthly and paid annually.
- 3. Make up of Board of Directors**
- a. While Banking arrangements are status quo:
 - i. Equal representation on Board between both Diesel and Gin-Cor (John B. and/or Darl R. are also part of the Gin-Cor Board team). Paul Martin (or his designate) will have the casting vote.
 - ii. The Board will meet quarterly or as required for special situations.
 - iii. Quarterly financial information will be supplied to the Board.

² Preferred shares refer to the *Preferred Shares of Diesel Equipment Limited*, and *Special Shares refer to the Special Shares of Diequip limited*

**Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017**

- iv. The Board's primary role will be to ensure that financial covenants and undertakings are met (e.g. bank covenants, pool arrangements, etc.), establishing and approving strategic direction, approval of the annual budget and a review of operating performance.
- v. The Board will manage the Partnership balance sheet including the review and approval of any reserves or allowances that involve management discretion under GAAP such as inventory obsolescence reserves, allowance for doubtful accounts.
- vi. Monthly financial reports will be provided to Paul Martin in a timely manner.
- b. when Banking Arrangements become Gin-Cor's responsibility and 1(b) above is achieved:
 - i. Gin-Cor will have the casting vote.
- 4. Gin-Cor will be granted Operational Control on closing but will lose the same in the following scenarios:**
 - i. Bank Covenants that have been breached and not cured and/or waived within 120 days of being notified.
 - ii. Total Bank Debt exceeds amounts agreed to by the parties and is not cured within 120 days of being notified.
 - iii. Terms of the Unicell Agreement are breached and are not cured within 120 days of being notified.
 - iv. 3% EBITDA not reached for a period within the 36 months after Close.
- a. If DEL needs to finance a major customer order for some number of months and this creates bulge borrowing requirements, either that will be accommodated with current banking arrangements, or new third party financing will be arranged by DEL for that circumstance.
- b. In the event that Gin-Cor loses operational control as a result of the circumstances outlined above, operational control will revert to Paul Martin. Gin-Cor's 40% equity interest will be acquired from Gin-Cor based on fair market value which will be calculated as 4.7 times average weighted normalized EBITDA (average being 3x most recent year plus 2x prior year plus 1x prior year divided by 6), less all interest-bearing debt.
- c. In the event that the drag on bank covenants is the result of actions from a related DEL Group company, Gin-Cor will be permitted to accelerate Transaction Step 1.b. and arrange independent financing, irrespective of reaching the 3% EBITDA target.
- d. Gin-Cor will be provided a twelve (12) month grace period to meet banking covenants on a stand-alone basis.
- 5. Tax losses need to be determined and plans implemented to ensure they will not be forfeited**
 - a. GT will need to provide tax advice with respect to the Preferred and Special Shares and appropriate tax treatment.
 - b. Diesel has plans to utilize tax losses to offset the real estate gain. An appropriate tax plan will be prepared by GT.
 - c. Any tax losses not utilized by Diesel will be retained by DEL.
- 6. Parties will enter into a Shareholder Agreement with agreed provisions on the operations and exit**
 - a. Diequip will draft the initial version of the Shareholder Agreement and related documentation, including normal shareholder agreement provisions for tag and drag along rights, etc.

**Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017**

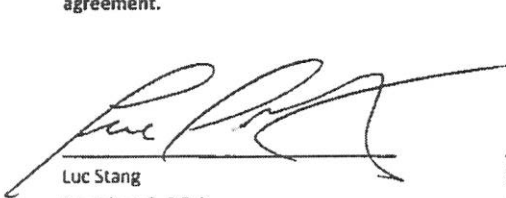
- 7. Effective upon signing the Letter of Intent, Gin-Cor will enter a period of Due Diligence until the execution of the PSA or Shareholder Agreement**
- a. Due diligence will be focused on the following areas:
 - i. Meetings with the Senior Leadership Team including the National Support Centre and branch managers and select senior sales people.
 - ii. Meeting with Roger Martin and Hugh Martin.
 - iii. Review of banking agreement, OEM agreements and related financing agreements
 - b. Timing of due diligence and related communications will be jointly developed following execution of this Term Sheet.
 - c. Substantial completion of due diligence associated with the following items will be completed within three weeks of signing this Term Sheet:
 - i. OEM pool stock agreement review;
 - ii. DEL : Unicell distribution agreement;
 - iii. Union matters (Unifor in Toronto and Teamsters in Regina); and
 - iv. Pension obligations, albeit these are to be transferred to Diesel.
- 8. Proposed Closing Date on or about May 31, 2017.**
- a. How do we retain key people through the transaction (i.e. to May 31, and 3 months beyond?)
 - b. DEL will start working with Jesse following execution of the Term Sheet to establish the Toronto branch operating model and related considerations. This involvement needs to be appropriately communicated with key managers in Toronto.
- 9. Other issues**
- a. Paul's 'deal' through the transition period is proposed as follows:
 - i. \$150k for 4 days per week, with 8 weeks holiday for balance of 2017
 - ii. \$100k for 3 days per week and 10 weeks holiday per year, until 51% ownership by Gin-Cor is achieved
 - iii. Reasonable telephone, travel and other business expense reimbursement
 - iv. Arrangements following 51% ownership stake by Gin-Cor to be negotiated at that time.
 - b. Internal and external messaging concerning the transaction will need to be jointly prepared and agreed to. The concept that has been discussed might include "DEL, operated by Gin-Cor" – i.e. DEL brand, products, people, etc. working with Gin-Cor management and operating practices. As an aligned thought, there may need to be highly visible Day 1 activities that highlight the change in management practices.
 - c. Joint communications with key suppliers will be planned by senior Partnership people for implementation closer to the Closing Date.
 - d. Pension plan obligations will stay with Diesel. There is likely a requirement to describe the mechanics of splitting plans (if desired) and related undertakings.
 - e. In the event that Diesel cannot satisfy BMO's needs for security without a Gin-Cor guarantee, there may need, on a mutually agreeable basis to be an acceleration of 1.b. to put Gin-Cor in a position of 51% ownership.



Gin-Cor and Diequip Partnership re DEL
Proposed Term Sheet
April 3, 2017, revised April 11, 2017

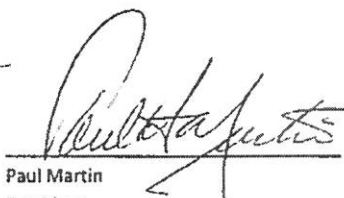
- f. Following joint execution of Term Sheet, key DEL managers need to be brought into the communications loop. The parties will acknowledge and agree on the appropriate time to schedule the same post execution of the term sheet.
 - g. Need some level of clarification concerning current lease arrangements, such as current leases open for renegotiation with 5 year terms when Gin-Cor reaches 51% ownership position.
 - h. Gin-Cor will be provided an option to acquire any existing DEL operating location (Toronto excluded) at the value established in May, 2017 by an accredited real estate appraiser of Diequip's choice, until May 31, 2020. Additionally, Gin-Cor will be given a 7 day first right of refusal right to match, in the event of a third party offer for any DEL location.
10. The Del Hydraulics Inc. share purchase will be completed based on a multiple of earnings approach. as follows:
- a. Preference is still to complete DHI transaction on closing of this transaction (i.e. May 31, 2017).
 - b. Failing that, revert to recent proposal (option to close May 31, 2018), which would require a significant non-refundable deposit (e.g. \$300k) on signing of the Shareholder Agreement (May 31, 2017) and an agreement not to alter any operational matters relating to DHI during the interim period.

If the items described in this Term Sheet are acceptable, please indicate so by signing below prior to Tuesday, April 11, 2017. Following execution of the Term Sheet, initial meetings will be conducted as described herein, and respective counsel will be instructed to begin documentation of a mutually satisfactory Shareholder Agreement and related documentation. The Parties acknowledge that the contents of this Term Sheet represent the parties' intent but does not represent a legally binding agreement.



Luc Stang
President & C.E.O.
Gin-Cor Industries Inc.

April 11, 2017
Date



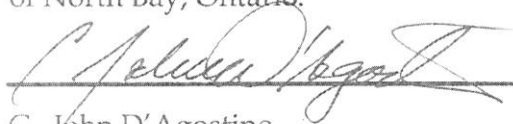
Paul Martin
President
Del Equipment Limited

April 11, 2017
Date



TAB C

Exhibit "C" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

Shareholders' Agreement

THIS AGREEMENT made enforceable and effective as of the 30th day of April 2018.

AMONG:

DEL EQUIPMENT LIMITED, a corporation incorporated under the laws of the Province of Ontario and having its head office at TORONTO,

(hereinafter referred to as "**DEL**")

OF THE FIRST PART,

-- and --

GCD HOLDINGS (2017) LIMITED, a corporation incorporated under the laws of the Province of Ontario and having its head office in the Town of Callander, in the Province of Ontario,

(hereinafter referred to as "**GCD**"),

OF THE SECOND PART,

-- and --

PAUL H. MARTIN, an individual residing in the City of Toronto in the Province of Ontario,

(hereinafter referred to as "**MARTIN**"),

OF THE THIRD PART,

-- and --

LUC STANG, an individual residing in the Municipality of Callander, in the Province of Ontario,

(hereinafter referred to as "**STANG**"),

OF THE FOURTH PART,

-- and --

STANG HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario and having its head office at CALLANDER,

(hereinafter referred to as "STANG INC.")

OF THE FIFTH PART

-- and --

DEL EQUIPMENT INC. a corporation incorporated under the laws of the Province of Ontario and having its head office at Toronto,

(hereinafter referred to as the "**Corporation**")

OF THE SIXTH PART.

WHEREAS the parties hereto have caused the Corporation to be incorporated for the purpose of carrying on in common through the Corporation the businesses relating to the upfitting of motor vehicles (the "Product");

AND WHEREAS the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 100 Common Shares are issued and outstanding;

AND WHEREAS DEL is the registered and beneficial owner of 60 Common Shares in the capital of the Corporation;

AND WHEREAS GCD is the registered and beneficial owner of 40 Common Shares in the capital of the Corporation;

AND WHEREAS MARTIN is the indirect beneficial owner of a substantial and controlling interest in the capital of DEL;

AND WHEREAS STANG is the direct and indirect beneficial owner of a substantial and controlling interest in the capital of GCD;

AND WHEREAS any reference to DEL shall mean DEL and/or any person, corporation or other entity affiliated or associated with or a subsidiary or parent or shareholder, controlling or otherwise, of or otherwise related to any of the foregoing;

AND WHEREAS any reference to GCD shall mean GCD and/or any person, corporation or other entity affiliated or associated with or a subsidiary or parent or shareholder, controlling or

otherwise, of or otherwise related to any of the foregoing;

AND WHEREAS MARTIN, DEL, STANG and GCD wish to establish their respective rights and obligations with respect to: (i) the shares of the Corporation owned by them, directly or indirectly; (ii) the management and control of the Corporation; and (iii) the other matters set forth in this Agreement;

AND WHEREAS it is the intention of each of the parties hereto that this Agreement shall constitute a unanimous Shareholders' Agreement with respect to the Corporation;

AND WHEREAS the Shareholders' desire to provide for the manner in which the management of the business and affairs of the Corporation shall be conducted;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the respective covenants and agreements of the parties contained herein, the sum of one dollar now paid by each party hereto to each of the other parties hereto, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), it is agreed as follows:

ARTICLE ONE -- DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "Accountant" means Grant Thornton, Chartered Accountants, or such other Accountant as the Shareholders shall appoint from time to time as Accountant for the Corporation.
- (b) "Act of Insolvency" means, when used in relation to a Shareholder, that without the prior written consent of all of the Shareholders:
 - (i) the Shareholder or its Principal, as the case may be, makes an assignment for the benefit of its or his creditors; or
 - (ii) the Shareholder or its Principal, as the case may be, becomes bankrupt or, as an insolvent debtor, takes the benefit of any legislation now or hereafter in force for bankrupt or insolvent debtors;
 - (iii) a receiver or other officer with like powers is appointed for the Shareholder or its Principal, as the case may be, for the substantial part of the assets of the Shareholder or its Principal, as the case may be, unless the appointment of such receiver or other officer with like powers is being disputed in good faith

and such proceedings effectively postpone enforcement of such appointment;
or

- (iv) a resolution is passed, or an order is made or a petition is filed for the cancellation, dissolution, liquidation, revocation, or winding-up of a corporate Shareholder, unless such action is being disputed in good faith by appropriate proceedings and such proceedings effectively postpone enforcement of the action;

provided that an Act of Insolvency shall be deemed not to have occurred if such Act of Insolvency occurs through the failure of any of the other Shareholders or the Principal of any of such other Shareholders, as the case may be, to perform its obligations hereunder;

- (c) "Affiliate" means, with respect to the relationship between two or more Persons, a Person is deemed to be an Affiliate of another Person if one of them is Controlled by the other or if both are Controlled by the same Person, and "Affiliated" has a corresponding meaning.
- (d) "Agreement" means this unanimous Shareholders' Agreement;
- (e) "arm's length" has the meaning attributed thereto in the Income Tax Act (Canada), and the regulations thereunder as amended from time to time;
- (f) "Board" means the board of directors of the Corporation as may be appointed from time to time;
- (g) "Business Day" means any day, other than a Saturday or Sunday or holiday, on which Canadian chartered banks are open for business in Toronto, Ontario;
- (h) "Business" means the business currently carried on by the Corporation or as it maybe subsequently carried on with the consent of the Shareholders;
- (i) "Control", with respect to the relationship with a Person, means:
 - (a) if that Person is a corporation, the holding (other than by way of security) of securities of that Person to which are attached more than 50% of the votes that may be cast for the election of directors and those votes are sufficient, if exercised, to elect a majority of the board of directors; or
 - (b) if that Person is not a corporation, the right, directly or indirectly, to direct or cause the direction of the management of the affairs of that Person, whether by ownership of ownership interests or otherwise;

and "Controlled by", "Controls", "Controlling" and "Controlled" and similar words have corresponding meanings, except that a Person which Controls a corporation or a Person that is not a corporation ("the second-mentioned Person") shall be deemed to Control a corporation or a Person that is not a corporation which is Controlled by the second-mentioned Person, and so on.

- (j) "EBITDA" means normalized earnings before interest expense, income taxes, depreciation, amortization, asset impairment, restructuring charges (for example, charges to accounts receivable and inventory, employee severance, plant consolidation charges, branch closure), and other one-time charges and gains. EBITDA attributable to one company that is moved to another company (e.g. work transferred or sold by DEL to GIN-COR and performed by GIN-COR) will be recorded at the agreed and approved quote EBITDA level.
- (k) "Event of Default" means, when used in relation to a Shareholder, that such a Shareholder or its Principal has defaulted in the performance of its obligations pursuant to this Agreement or pursuant to any agreement entered into between such person and the Corporation and such default shall not have been cured within fifteen (15) business days after receipt by such Shareholder or its Principal, as the case may be of a notice from the Board or any other Shareholder asking such Shareholder or its Principal to cure such default;
- (l) "Fair Market Value" has the meaning ascribed thereto in Section 13.1;
- (m) "Fully-Participating Share" means a security that participates to an unlimited amount in the earnings of the Corporation or upon the liquidation or winding-up of or other similar distribution of assets by the Corporation;
- (n) "GIN-COR" means Gin-Cor Industries Inc.
- (o) "Generally Accepted Accounting Principles" means Canadian generally accepted accounting principles from time to time approved by the Accounting Standards Board, including those recommended in Part II – Accounting Standards for Private Enterprises of the CPA Canada Handbook, or any successor institute, applicable as at the date on which such generally accepted accounting principles are applied. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, including the contents of any certificate or other document to be delivered hereunder, such determination, consolidation or computation shall, unless the Parties otherwise agree, be made in accordance with such generally accepted accounting principles applied on a consistent basis;

- (p) "Guarantor" means STANG INC.;
- (q) "Income Tax Act" means the Income Tax Act (Canada), and the regulations thereunder, as amended from time to time;
- (r) "Investment Canada Act" means the Investment Canada Act, and the regulations thereunder, as amended from time to time;
- (s) "OBCA" means the Business Corporations Act (Ontario) and the regulations thereunder, as amended from time to time;
- (t) "Ordinary Resolution" means:
 - (i) A resolution passed by a majority of the votes cast at a duly constituted meeting of Shareholders or any adjournment thereof in respect of which each Shareholder present or represented thereat is entitled to one vote for each share held; or
 - (ii) a written resolution in one or more counterparts signed by Shareholders owning collectively at least a majority of the Shares then outstanding;
- (u) "Permitted Transferee" means, in respect of any Shareholder:
 - (i) a Corporation which is not a non-Canadian within the meaning of the Investment Canada Act of which such Shareholder or the Principal of such Shareholder or the spouse and/or issue of such Shareholder or Principal of such Shareholder are the sole registered and beneficial Shareholders;
 - (ii) a trust of which such Shareholder or the Principal of such Shareholder or the spouse and/or issue of such Shareholder or Principal of such Shareholder are the sole beneficiaries, provided that such trust is not a non-Canadian within the meaning of the Investment Canada Act;
 - (iii) the spouse or issue of that Shareholder or Principal of such Shareholder provided such spouse or issue, as the case may be, is then sui juris and not then a non-Canadian within the meaning of the Income Tax Act (Canada); or
 - (iv) if the Shareholder is a Corporation, any person who is the sole and registered beneficial Shareholder of such Corporation;
- (v) "Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, an unincorporated organization, a regulatory body or agency, a government or governmental agency

or authority or entity, an executor or administrator or other legal or personal representative, or any other juridical entity;

- (w) "Powers of Attorney Act" means the Powers of Attorney Act (Ontario) and the regulations thereunder, as amended from time to time.
- (x) "Prime Bank Rate" means the commercial lending rate of interest, expressed as an annual rate, that the Corporation's principal bankers quote in Toronto as the reference rate of interest from time to time (commonly known as "prime") for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds;
- (y) "Principals" means MARTIN and STANG, together with such other persons who may become parties to this Agreement and "Principal" shall mean any one of such persons individually;
- (z) "Related Party Loan" means the loan to the Corporation made by DEL in the amount set out and disclosed in Schedule "B" of the S. 85 Asset Purchase Agreement between the parties hereto dated as of April 30, 2018.
- (aa) "Shareholder" means any Person which is a registered holder of issued and outstanding Shares and a Party, the initial Shareholders being DEL and GIN-COR;
- (bb) "Shares" means, at any time, any classes of shares of the authorized capital of the Corporation, any convertible securities or any securities into which those shares or convertible securities may be converted or changed or which result from a consolidation, subdivision, reclassification or re-designation of those shares, any securities which are received as a stock dividend or distribution payable in securities of the Corporation, any shares received on the exercise of any option, warrant or other similar right, and any securities the holders of which may be bound by this Agreement as a result of an amalgamation, merger, arrangement or other reorganization of or including the Corporation. Notwithstanding the foregoing, for purposes of calculation of "Proportionate Contribution" or "Proportionate Entitlement" or any other pro-rata share between the Shareholders hereunder, "Shares" shall only mean the shares of the authorized capital of the Corporation having voting rights; and
- (cc) "Transfer" includes any sale, exchange, assignment, gift, bequest, disposition, hypothec, mortgage, lien, charge, priority, pledge, encumbrance, grant of security interest or any arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary or by operation of law or otherwise and

whether or not for value, and any agreement to effect any of the foregoing, and "Transferred", "Transferring" and similar words have corresponding meanings.

- (dd) "Unicell Agreement" is the May 1, 2017 Distribution Agreement between Unicell Limited and DEL.

ARTICLE TWO – REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 **Representations, Warranties and Covenants.** Each Shareholder and STANG INC. hereby covenants with and represents and warrants to the other Shareholder, and acknowledges and confirms that the other Shareholder is relying on such covenants, representations and warranties in connection with entering into this Agreement, that:

- (a) it is a corporation duly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) it is duly registered and qualified to carry on business and has and will continue to have all requisite authority, licences and permits to carry on the business of the Corporation;
- (c) it has the capacity and corporate authority to act as a Shareholder as contemplated by this Agreement;
- (d) it can fulfil its obligations as a Shareholder or as guarantor as the case may be, without violating the terms of its constating documents, by-laws or any agreement to which it is or will become a party or by which it is or will become bound by any law or regulation applicable to it;
- (e) it has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement;
- (f) this Agreement constitutes a valid and binding obligation of it, enforceable in accordance with its terms;
- (g) it is and shall be a "resident" of Canada within the meaning of the Income Tax Act (Canada); and
- (h) it is not a non-Canadian within the meaning of the Investment Canada Act.

2.2 **Number and Class of Share.** Each of DEL and GCD warrants that:

- (a) it is the registered and beneficial owner of that number and class of the issued and

outstanding Shares or securities convertible into Shares of the Corporation set out opposite its name below:

<u>Name</u>	<u>Number and Class of Shares or Securities Convertible into Shares</u>
DEL	60 Common
GCD	40 Common

2.3 **Share Ownership.** MARTIN and STANG each represent and warrant that:

- (a) they are the principal and beneficial owners, whether directly or indirectly of sufficient Shares in the capital of DEL and GCD and STANG INC. respectively, and, if applicable, securities convertible into Shares in the capital of DEL and GCD and STANG INC. respectively to represent a controlling interest in such companies; and
- (b) such Shares and/or securities are free and clear of all claims, liens and encumbrances whatsoever and except as provided herein no person has any agreement or option or any right capable of becoming an agreement for the purchase of any such Shares and/or securities and no person has any agreement or option or any right capable of becoming an agreement for the issuance or subscription of any unissued Shares and/or securities convertible into Shares of such Shareholder or Guarantor other than the loan and security agreements with the Bank of Montreal and the Royal Bank of Canada as disclosed to GCD by DEL, the Corporation and MARTIN.

2.4 **No Other Shares.** The Corporation warrants that:

- (a) The Shares listed in Section 2.2 hereof are the only issued and outstanding Shares or securities convertible into Shares of the Corporation; and
- (b) except as provided in this Agreement no person has any agreement or option or right capable of becoming an agreement for the purchase, subscription or issuance of any of the unissued Shares of the Corporation or any securities convertible into Shares of the Corporation.

2.5 **Associated Corporations.** Each shareholder warrants that, to the best of his knowledge, information and belief after due enquiry the Corporation is not associated (as that term is used in the Income Tax Act with any other corporation and hereby covenants that if the Corporation becomes so associated, all appropriate forms and elections will be filed to ensure that, to the maximum extent possible, the Corporation has allocated to it, in each taxation year, the amounts necessary with respect to its business limit to enable the Corporation to take the maximum small business deduction

available in such taxation year, as those terms are used in the Income Tax Act.

2.6 **Survival.** The covenants, representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and, notwithstanding such execution and delivery and regardless of any investigation made by or on behalf of any Shareholder with respect thereto, shall continue in full force and effect for the benefit of each Shareholder to which such covenants, representations and warranties were made until the expiry of three years following the termination of the Shareholders' Agreement.

ARTICLE THREE – MANAGEMENT OF THE CORPORATION

3.1 **Board of Directors.** Subject to the provisions of this Agreement, the business and affairs of the Corporation shall be managed by the Board of Directors (the "Board") which shall at all times consist of six (6) directors. Each of the initial Shareholders shall be entitled to appoint three (3) representatives to serve as directors of the Corporation.

3.2 **Appointment of Board of Directors.** With respect to the appointment of Directors, the Parties agree as follows:

- (a) As long as DEL is a Shareholder, DEL shall be entitled to appoint three (3) Directors to the Board;
- (b) As long as GCD is a Shareholder, GCD shall be entitled to appoint three (3) Directors to the Board;

3.3 **Appointment of Initial Directors.** The following individuals shall be appointed as the initial Directors of the Board:

- (a) DEL hereby nominates and appoints PAUL H. MARTIN, ROGER J. MARTIN and DAVID H. MARTIN to be its appointed representatives on the Board unless and until replaced by notice in writing given to MARTIN by DEL;
- (b) GIN-COR hereby nominates and appoints LUC STANG, JO-ANNE STANG and RENZO SILVERI to be its appointed representatives on the Board unless and until replaced by notice in writing given to STANG by GCD.

3.4 **Board Vacancy.** Should any vacancy occur on the Board, such vacancy shall be filled forthwith by the appointment of a nominee by the Shareholder who is not then represented by three nominees to which he is entitled hereunder.

3.5 **Event of Default or Act of Insolvency.** Notwithstanding anything to the contrary herein contained, if an Event of Default or an Act of Insolvency occurs with respect to a Shareholder (the

"Defaulting Shareholder"), such Defaulting Shareholder shall not be entitled to be a Director of the Board or to nominate any individuals as a Director of the Board and such Defaulting Shareholder in conjunction with the other Shareholder shall cause such nominee Directors of the Defaulting Shareholder to forthwith resign or be removed and the nominee Directors of such Defaulting Shareholder shall be replaced with such person or persons as may be designated by the non-Defaulting Shareholder provided that if such Event of Default or Act of Insolvency is subsequently remedied, the Defaulting Shareholder shall again be entitled to nominate an individual to the Board as provided hereunder and all of the Shareholders shall take all necessary steps in this regard.

3.6 Entitlement to Vote. Notwithstanding anything to the contrary herein contained, if an Event of Default or an Act of Insolvency occurs with respect to any Shareholder (the "Defaulting Shareholder"), from and after the occurrence of such Event of Default or Act of Insolvency, the Defaulting Shareholder shall not be entitled to vote its Shares where a vote of the Shareholders is required, the other Shareholder who is not a Defaulting Shareholder shall be treated as if it owns all of the Shares of the Corporation during the time that the Event of Default exists and has not been subsequently remedied. Upon an Event of Default being remedied, the Defaulting Shareholder shall again be entitled to immediately thereafter vote its Shares at all meetings of Shareholders. During any such Event of Default, the Defaulting Shareholder hereby irrevocably gives its proxy to the non-Defaulting Shareholder to vote its Shares in any matter such Shareholders determine that is not otherwise contrary to the terms of this Agreement or the OBCA. The Defaulting Shareholder hereby and hereby appoints such non-Defaulting Shareholder as its attorney in accordance with the Powers of Attorney Act, R.S.O. to execute all necessary documents on behalf of the Defaulting Shareholder to give effect to such proxy.

3.7 Officers of the Corporation. The officers of the Corporation, unless changed by resignation or Board decision, or otherwise in accordance with this Agreement, shall be:

Chief Executive Officer:	LUC STANG
President:	LUC STANG
Chairman of the Board:	PAUL H. MARTIN
Chief Financial Officer:	RENZO SILVERI
Secretary:	PAUL H. MARTIN

and such additional officers as the Board may determine from time to time. Where an above-named officer resigns his office, then the Board shall be entitled to appoint a replacement.

3.8 Quorum for Meetings of Directors. A quorum for all meetings of the Board shall be five (5) Directors present in person or by means of such telephone, electronic or other communication facilities whereby all persons participating in such meeting can hear and speak to each other simultaneously and instantaneously or such other number as the Shareholders may agree upon in writing from time to time. Notwithstanding the above, no meetings of the Board shall take place

without two of GCD's nominees to the Board and two of DEL's nominees to the Board.

3.9 Quorum for Meetings of Shareholders. A quorum for a meeting of Shareholders shall be two Shareholders, present and representing by proxy or in person not less than one hundred percent (100%) of the issued and outstanding Shares entitled to vote at such meeting.

3.10 Majority of Votes. Except as may be otherwise provided in this Agreement, all decisions of the Board and of the Shareholders of the Corporation shall be decided by a majority of votes cast or by such greater percentage as may be required by law.

3.11 Casting Votes. Notwithstanding any statutory rule or rule to the contrary, the chairman at any meeting of the Board or at any meeting of the Shareholders of the Corporation shall be entitled to a second, extra or casting vote in the case of a tie vote at any such meeting. Until such time as GCD acquires fifty-one percent (51%) of the voting Common Shares in the capital of the Corporation as herein provided, MARTIN shall be Chairman of the Board and shall chair all shareholders' meetings. After GCD acquires 51% of more of the voting Common Shares of the Corporation, the Chairman of the Board shall be STANG and he shall chair all shareholders' meetings.

3.12 Resolutions in Lieu of Meeting. A resolution in writing, signed by all of the Directors or all of the Shareholders, is as valid as if such resolution had been passed at a meeting of the Directors or Shareholders.

3.13 Contracts and Documents. Subject to the terms thereof, and until GIN-COR acquires 51% of the common shares, all contracts and documents binding the Corporation and which are not terminable by the Corporation without liability upon giving no more than thirty (30) days' notice, or, in any event, involving a liability on the part of the Corporation in excess of \$50,000 in respect of any such contract or document, shall require the signatures of the Chairman and the President, or such other individual(s) as may be determined by the unanimous decision of the Board of Directors from time to time. All other contracts and documents binding the Corporation shall require the signature(s) of any officer or such other individual(s) as is determined by the unanimous decision of the Board of Directors from time to time.

3.14 Special Approval. In addition to any other approval required by law or pursuant to the articles, by-laws or resolutions of the Corporation, none of the following actions shall be effected without the prior written consent of all the Shareholders;

- (i) the issuance of any Shares in the capital of the Corporation or any securities, rights, warrants or options convertible into or exchangeable for or carrying the right to subscribe for Shares in the capital of the Corporation;
- (ii) the conversion, reclassification, subdivision, consolidation, exchange, redesignation

- or any other change to any of the Shares in the capital of the Corporation;
- (iii) the redemption or purchase by the Corporation of its issued Shares or securities convertible into Shares or cancellation of the subscription rights in respect of its Shares or securities convertible into its Shares;
 - (iv) the merger, amalgamation, continuance, reorganization or consolidation of the Corporation or the approval of any plan of arrangement, whether statutory or otherwise;
 - (v) the taking or instituting of proceedings for the winding-up, re-organization or dissolution of the Corporation;
 - (vi) the enactment, revocation or amendment of any by-laws of the Corporation;
 - (vii) the sale, lease, exchange or other disposition of all or substantially all of the assets or undertaking of the Corporation;
 - (viii) any material change in the business of the Corporation;
 - (ix) the repayment of any loans owing by the Corporation to either of its Shareholders, except for the Related Party Loans on terms and conditions as hereinafter specified or approved by both Shareholders;
 - (x) the provision of financial assistance, whether by loan, guarantee or otherwise, to either Shareholder or any person not dealing at arm's length with a Shareholder; or
 - (xi) the making of any contract between the Corporation and any person not dealing at arm's length with a Shareholder or the making of any payment to any person not dealing at arm's length with a Shareholder except in respect of loans made pursuant to the provisions of Article Four hereof.
 - (xii) except as otherwise contemplated or permitted by this Agreement, allot, issue, sell, exchange or otherwise dispose of or acquire any of its Shares or enter into any option or agreement to do so;
 - (xiii) borrow any money, incur any liability, make any expenditure or dispose of any capital asset, unless the terms of section 3.19 are complied with;
 - (xiv) declare or pay any dividend or other distribution to either Shareholder;
 - (xv) directly or indirectly acquire any interest in or be engaged in or make any investment

in any business or undertaking other than its business described in the recitals to this Agreement;

- (xvi) pay any fee, salary, bonus or other remuneration to, for or on account of any shareholder, or of any person or company not dealing at arm's length (as such term is defined in the Income Tax Act) with any shareholder except for contracts or sub-contracts for the supply of goods and services between the Corporation and GCD, provided such contracts include terms and amounts which are competitive with those offered by other non-related parties and who are active in such business as contemplated by such contracts;
- (xvii) at any time during the currency of this agreement, have more than six (6) directors three (3) of whom two shall be the nominees of DEL and three (3) of whom shall be the nominees of GCD;
- (xviii) at any time during the currency of this agreement when GCD shall own less than fifty-one percent (51%) of the Common Shares of the Corporation have any officers other than the following who shall be the nominees of DEL:

Chairman	PAUL H. MARTIN
Secretary	PAUL H. MARTIN

and the following who shall be the nominees of GCD:

Chief Executive Officer and President	LUC STANG
Chief Financial Officer	RENZO SILVERI

After the time when GCD is the owner of 51% of the Common Shares of the Corporation the officers shall be:

Chairman, Chief Executive Officer and President	LUC STANG
Chief Financial Officer	RENZO SILVERI
Secretary	PAUL MARTIN

- (xix) conduct any meeting of directors or shareholders which does not include one person who is the nominee or proxy of each shareholder;
- (xx) have any subsidiary; or
- (xxi) have any accountant other than Grant Thornton, provided its prices for services are competitive and if not then DEL shall be entitled to choose a replacement accounting firm.

3.15 Restriction of Powers of Directors. To the extent that this Agreement specifies that any matters may only be or shall be dealt with or approved by or shall require action by the Shareholders, the discretion and powers of the Directors of the Corporation to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted. In addition to the foregoing, the Directors undertake to discharge their discretion and powers in a manner that maintains their respective fiduciary obligations owed to the Corporation and specifically having regard to Schedule "B" attached hereto.

3.16 Operational Control. GCD shall have operational control of the Corporation unless any one or more of the following shall occur: (a) a material breach of bank covenants given by the Corporation to any of its bankers or its Original Equipment Manufacturers that has not been cured and or waived within 120 days of being so notified; (b) where total bank debt exceeds amounts approved by the Shareholders and which is not cured within 120 days of being so notified; (c) a material breach of the terms of the Unicell Agreement occurs and which such breach is not cured within 120 days of being so notified; (d) the target EBITDA at 3% of revenues (as referred to in Article 3A.1) has not been reached within 36 months of the date hereof; or (e) an Event of Default has occurred.

3.17 Reversion of Operational Control. In the event that GCD loses operational control as a result of the circumstances as set out above in article 3.16 then operational control of the Corporation shall revert to DEL and its Principal, Paul H. Martin. at the option of DEL. In such an event, GCD shall sell all and DEL shall purchase all of GCD's Shares in the capital of the Corporation for fair market value which for these purposes shall be calculated as 4.7 times weighted average normalized EBITDA calculated from the Corporation's management prepared financial statements. For the purposes of this paragraph weighted average normalized EBITDA means the Corporation's earnings before interest, taxes, depreciation and amortization ("EBITDA") for the three years preceding the effective transfer date, weighting 3 times for the most current year, 2 times for the second preceding year and 1 time for the third preceding year divided by six and less all interest-bearing debt. The years shall be computed as follows:

- (a) the current year being the twelve-month period preceding the effective transfer date
- (b) the second preceding year being the twelve-month period preceding the current year
- (c) the third preceding year being the twelve-month period preceding the second preceding year.

If fair market value is required to be calculated prior to the third (3rd) anniversary of the date hereof, the weighting for any valuation shall be as follows:

- (a) if the valuation is done after the second (2nd) anniversary of the date hereof, weighting 2

- times for the most current year and 1 time for the second preceding year divided by three (3) and less all interest-bearing debt;
- (b) if the valuation is done after the first (1st) anniversary of the date hereof but prior to the second (2nd) anniversary of the date hereof, weighting 1 times for the most current year less all interest-bearing debt;
 - (c) if the valuation is done prior to the first (1st) anniversary of the date hereof, fair market value shall be done by taking the EBITDA during the portion of the year completed, dividing same by the number of whole calendar months completed since the date hereof, and multiplying by twelve (12).

Any such sale, all amounts owed to GCD by way of shareholder advances or for contract services rendered shall be paid in equal quarter annual payments over a period of three years from closing.

3.18 Banking Covenants Exception. In the event that the breach of the bank covenants as set out in article 3.16(a) shall be as a result of actions from an Affiliate of the Corporation and/or part of the DEL group of corporations, then GCD shall be permitted to accelerate exercising its option as set out in article 3A.1 without first having reached the target EBITDA at 3% of revenues and in such an event GCD shall be provided a 12-month grace period to meet banking covenants on a stand-alone basis.

3.19 Budgets. Prior to the commencement of each fiscal year, the President of the Corporation shall prepare and present to the Directors an annual operating and capital expenditures budget for the following fiscal year, which budget will be subject to final approval by resolution of the Directors.

Any variance in budgeted items of greater than 3% per item shall be set out in a statement to be delivered to the Directors and each Shareholder concurrently with the delivery of monthly financial statements to the Directors and each Shareholder as set out in this Agreement.

Any capital expenditure in excess of \$50,000.00, individually or in aggregate, which (i) does not appear on a budget approved by the Directors, or (ii) exceeds by more than 3% of the amount of such capital expenditure appearing on a budget approved by the Directors, shall require approval of the Directors. If such expenditure exceeds the budget approved by the Directors by more than 5% it shall require the written approval of the Shareholders.

3.19 No Obligation. The parties hereto acknowledge that this Agreement does not create any obligation for any Principal to become personally liable for any debts of the Corporation. No Principal shall be liable for any debts of the Corporation unless and until such Principal has entered into a separate written obligation with respect to such debts.

ARTICLE THREE A – OPTION TO ACQUIRE FURTHER SHARES

3A.1 **Option to Acquire Further Shares of the Corporation by GCD.** DEL hereby grants to GCD the option to acquire a further 11% of the issued and outstanding common Shares in the capital of the Corporation upon the following terms and conditions: (a) GCD must first achieve financial results for the Corporation representing a level of EBITDA at 3% of revenues for a rolling 12 month period; (b) GCD must assume full responsibility for all banking facilities for the Corporation; (c) the above two conditions must be met by 36 months of the date hereof, otherwise this option shall be at an end; and (d) in the event that the first two above conditions are fulfilled by GCD then GCD shall acquire such further 11% of the Common Shares at a nominal purchase price of \$1.00 per share.

3A.2 **Further Option to Acquire Additional Shares of the Corporation by GCD.** In the event that GCD has satisfied the conditions set out in Article 3A.1 above and has acquired the 11% of the Common Shares of DEL contemplated in Section 3.A.1 such that GCD owns 51% of the Common Shares of the capital of the Corporation, then DEL hereby grants to GCD the option to acquire the remaining 49% of the Common Shares of the Corporation upon the following terms and conditions: (a) 10% of the Common Shares of the Corporation after paying down the Related Party Loan by 22.7% of its original amount ; (b) 10% of the Common Shares of the Corporation after paying down the Related Party Loan by an additional 22.7% of its original amount ; (c) 10% of the Common Shares of the Corporation after paying down the Related Party Loan by an additional 18.2% of its original amount ; (d) 10% of the Common Shares of the Corporation after paying down the Related Party Loan by an additional 18.2% of its original amount; and (e) the final 9% of the Common Shares of the Corporation after paying down the Related Party Loan by an additional 18.2% of its original amount; (f) for greater certainty, after GCD has satisfied the repayment of the Related Party Loan then GCD shall be the owner of all of the Common Shares of the Corporation, after having paid at a nominal purchase price of \$1.00 per share for such Common Shares; and (g) all of the above repayments and transfers of Shares must take place prior September 30, 2025.

ARTICLE FOUR – OPERATION AND FINANCE

4.1 **Accounting Records.** Proper books of account shall be kept by the Corporation and entries shall be made therein of all matters, terms, transactions and things as are usually written and entered into books of account in accordance with GAAP and each of the Shareholders shall at all times furnish to the others correct information, accounts and statements of and concerning all transactions pertaining to the Corporation without any concealment or suppression.

4.2 **Accountants.** At any time during the currency of this agreement the accountants of the Corporation shall be Grant Thornton, Chartered Accountants provided their fee for services are competitive, with such fees to be tested as to whether they are competitive every three years or such other firm of chartered accountants as the Shareholders shall appoint from time to time (the "Accountants"). If the Shareholders determine that Grant Thornton is not competitive then an

alternate accounting firm shall be determined by DEL. The Accountants shall, at the fiscal year end of the Corporation, prepare financial statements for such fiscal year, including a balance sheet, a statement of earnings and retained earnings and a statement of source and application of funds, together with a review engagement report thereon. For the foregoing purposes, such Accountants shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Corporation, including those of the Shareholders to the extent to which such books, records, vouchers, cheques, papers and documents relate to the Corporation.

4.3 Bank Accounts. The Corporation shall maintain a bank account or bank accounts at such bank or trust company as the Board shall from time to time determine. All bank accounts shall be kept in the name of the Corporation and all cheques, bills, notes, drafts or other instruments shall require the signatures of such individuals as the Board may from time to time determine. All monies received from time to time for the account of the Corporation shall be paid immediately into those bank accounts for the time being in operation, in the same drafts, cheques, bills or cash in which they are received and all disbursements on account of the Corporation shall be made by cheque on such bank or trust company.

4.4. Additional Borrowing Prior to GCD owning 51% of the Corporation's Shares. At any time prior to the first anniversary of this Agreement, the Shareholders acknowledge and agree that neither GCD or any Affiliate of GCD shall be obligated to advance any funds or its guarantee to the Corporation or to any third-party other than as set out elsewhere herein. Any funds that need to be advanced as may be required for the purposes of the Corporation shall be obtained, to the greatest extent possible, by borrowing from a chartered bank or other lender.

4.5 Shareholder Loans. At any time after the first anniversary of this Agreement, and, if, notwithstanding compliance by the Shareholders with the provisions of Section 4.4, the Corporation shall not have obtained all or part of the required funds from a bank or other lender, then, within fifteen (15) business days after a demand in writing by the Corporation is given by the Corporation to the Shareholders, each Shareholder shall advance to the Corporation such portion of the required funds, or the part thereof that the Corporation shall not have obtained from a bank or other lender, as is proportionate to their then beneficial ownership of fully-participating shares of the Corporation. All advances made to the Corporation pursuant to this Section shall be treated as Shareholder's loans and shall be upon the security and at the rate of interest (which shall be the same for all Shareholders), if any, as shall be determined by the Board from time to time and, if required by the Corporation at the time of the making of the loan or at any time thereafter, shall be subordinated to any other secured arm's length indebtedness of the Corporation made in accordance with the terms hereof. None of those loans shall be called by the Shareholders or repaid to them, in whole or in part, except as is determined by the Board; provided that whenever any amounts on account of such loans are repaid to the Shareholders, they shall be repaid to them on a basis proportionate to their then total outstanding advances to the Corporation, with such loan balance to exclude any Related Party Loan.

4.6 Non-Advance of Compulsory Shareholders Loans. If any Shareholder (in this Section referred to as a "Defaulting Shareholder") does not make the full or any part of the advance or advances required to be made by him pursuant to the provisions of Section 4.5 hereof, then the other Shareholder(s), if not so in default, shall be entitled to advance to the Corporation those amounts (in this Section referred to as the "Additional Loan"). If more than one of the other Shareholders wishes to make the Additional Loan, each of such Shareholders shall pay a portion of such Additional Loan equal to the proportion which their beneficial ownership of fully-participating shares of the Corporation bears to the aggregate beneficial ownership of fully-participating shares of the Corporation of the Shareholders who wish to do so. If only one of the Shareholders wishes to make the Additional Loan, he shall be entitled to make the whole Additional Loan to the Corporation. In the event that an Additional Loan is made, the Additional Loan shall be deemed to be a loan or loans (in this Section called the "Default Loan(s)") to the Defaulting Shareholder by the Shareholder(s) that made that Additional Loan (in this Section called the "Lending Shareholder(s)") and to have been advanced to the Corporation on behalf of the Defaulting Shareholder. The Defaulting Shareholder shall pay to the Lending Shareholder(s) daily interest on so much of the Default Loan(s) as is outstanding from time to time, at the Prime Bank Rate plus five (5) percentage points, calculated and payable daily, not in advance, computed from the first day upon which the Additional Loan is made. For the purposes of this Section, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The Defaulting Shareholder hereby irrevocably directs the Corporation to make all payments of interest which are payable to the Defaulting Shareholder, directly to the Lending Shareholder(s), to be credited by the Lending Shareholder(s) against the amount of interest payable by the Defaulting Shareholder to the Lending Shareholder(s). The Default Loan(s) shall be payable on demand. The Defaulting Shareholder shall be entitled to repay the whole or any part of the Default Loan(s) at any time or times and the Corporation is hereby irrevocably directed to pay any dividend, salary, bonus, withdrawal or other distribution whatsoever payable to the Defaulting Shareholder (to a maximum of the amount of the Default Loan(s) plus accrued and unpaid interest), directly to the Lending Shareholder(s), if more than one Lending Shareholder, to be shared by them proportionately to the amounts of their respective Default Loan(s) to be credited by the Lending Shareholder(s) on account of the amount owing by the Defaulting Shareholder to the Lending Shareholder(s).

4.7 Personal Guarantees. GCD or any Affiliate shall not be obligated to contribute funds or guarantees to any bank or other lender at any time prior to the first anniversary date of this Agreement where DEL or an Affiliate of DEL is obligated to make payment to a bank or other lender under a guarantee. After the first anniversary date of this Agreement, GCD shall provide its guarantee or to contribute money or indemnities to any new loan(s) which may be required by the Corporation. If a Shareholder or Principal (hereinafter in this Article sometimes called a "Guarantor") has guaranteed, with the consent of the other Shareholder(s), the obligations of the Corporation to any bank or other lender and the Guarantor makes payment to such bank or other lender under such guarantee, then each of the Shareholders other than the Guarantor (hereinafter in this Article sometimes called an "Indemnifier") shall pay to the Guarantor, forthwith upon demand, a proportionate amount of such payment equal to the proportion which the number of

fully-participating shares of the Corporation then beneficially owned by the Indemnifier bears to the total number of fully-participating shares of the Corporation then outstanding.

4.8 Loan Payment of Pro-Rata Portion of Shareholder(s) Guarantee. In the event that any one or more of the Indemnifiers shall not make a payment required herein, (hereinafter in this Article sometimes referred to as a "Defaulting Indemnifier(s)"), then the aggregate amount to be paid to the Guarantor by the other Indemnifier(s) shall be adjusted by excluding the number of fully-participating shares of the Corporation then beneficially owned by the Defaulting Indemnifier(s) from the total number of fully-participating shares of the Corporation for purposes of the calculation contemplated pursuant to Section 4.7 above, and such additional amount shall be paid to the Guarantor by the other Indemnifier(s) forthwith upon demand. Provided that nothing herein shall relieve the Defaulting Indemnifier(s) from its obligation to pay to the Guarantor or the other Indemnifier(s), as the case may be, its proportionate share of the amount paid by the Guarantor, determined without having regard to its default. In addition, the Defaulting Indemnifier(s) shall pay to the Guarantor or the other Indemnifier(s), as the case may be, interest at the Prime Bank Rate plus five (5) percentage points calculated and payable daily, not in advance, computed from the first day upon which such payment should have been made on the amount owing by such Defaulting Indemnifier(s) to the Guarantor or other Indemnifier(s), as the case may be. For the purposes hereof, the Prime Bank Rate shall be determined daily to apply with respect to the monies owing at the end of the next succeeding day. The amount payable by the Defaulting Indemnifier(s) hereunder together with interest thereon, calculated as aforesaid, shall be fully paid to the Guarantor, or the other Indemnifier(s), as the case may be, before any dividend, salary, bonus, withdrawal or other distribution whatsoever from the Corporation is made to the Defaulting Indemnifier(s) and the Corporation is hereby authorized and directed to pay the amount of any such dividend, salary, bonus, withdrawal or other distribution (to the extent of the amount owing by the Defaulting Indemnifier(s) to the Guarantor or other Indemnifier(s), as aforesaid) to the Guarantor or other Indemnifier(s) in reduction of such amount.

4.9 Relocation of Toronto Property. Notwithstanding anything herein contained to the contrary, the Parties agree that the funds required for the anticipated relocation from DEL's Toronto property shall be allocated and funded as follows: (a) the Corporation shall pay for the moving costs including physical furniture and equipment, relocation, and recruiting for new employees to replace those severed if necessary; (b) The Corporation shall be responsible for any employee severance costs amounts up to a cap of \$1,000,000.00; (c) DEL shall be responsible for any severance costs amounts above a cap of \$1,000,000.00; and (d) GCD shall be responsible for any capital purchases for equipment required for such move or to properly continue the Business of the Corporation in its new location. The Parties and their Affiliates agree to negotiate reasonably and in good faith the lease terms for transition out of the Toronto Property that will reflect reduced space utilization as production processes are moved out of the Toronto Property prior to its sale on June 30th, 2018. For greater certainty, the Parties acknowledge and confirm that rent and occupancy costs paid for the Toronto Property shall abate on a pro-rated basis as the Corporation reduces its functional income generating floor area space in the Toronto Property.

4.10 Management Fees. The Corporation shall be required to pay a management fee to DEL commencing upon the expiry of a period of forty-two (42) months from the date of execution of this Agreement, calculated on the EBITDA earned by the Corporation subsequent to that date multiplied by the percentage share ownership held by DEL for each period. The management fee will be accrued and paid equally over the two years immediately subsequent to the Related Party Loan being fully retired. Notwithstanding the requirements of this article 4.10, no management fee will be accrued if GCD has exercised its option to acquire all of the Shares of the Corporation as set out in article 3A.2 and has paid all of the Related Party Loan.

4.11 MARTIN Consulting Fees. From and after the date hereof and for the balance of 2018, the Corporation shall pay to Martin for consulting fees pro-rated on the annual sum of \$150,000.00 in consideration of MARTIN providing his consulting services for four days per week with a provision for paid eight four-day weeks' vacation. For the fiscal year commencing January 1, 2019 such consulting fees shall be \$100,000.00 for 3 days per week of consulting and with provision for ten three-day weeks' vacation. These provisions shall continue until GCD acquires 51% control as contemplated by article 3A.1. MARTIN shall also receive during the time he is retained as a consultant reimbursement for his reasonable telephone, travel and other business-related expenses. After GCD acquires 51% control then the parties agree to negotiate MARTIN's future consulting fees and reimbursed expenses.

4.12 Option to Acquire Operating Locations. Provided that GCD is not in material default of the terms of this agreement, then DEL and its Affiliated Corporations, hereby grant to GCD the option to purchase from Diesel Equipment Limited any of the real property locations where DEL carries on business, except for the Toronto location or its replacement location. The purchase price shall be the value for such locations determined as of May 31, 2017 by an accredited real estate appraiser as chosen by DEL. The purchase price shall be payable by cash, certified cheque or wire transfer on closing. This option shall be available until the third (3rd) anniversary of the date upon which this Agreement has been executed by all parties hereto to be exercised by notice in writing to DEL before that date and with a closing date of not more than 30 days after such notice date. GCD shall, at its option, be entitled to register a notice or other authorized title registration on title to any such real property locations.

4.13 First Right of Refusal Regarding Operating Locations. Provided GCD is not in material default of the terms of this agreement, GCD is hereby granted a right of first refusal to match any third party bona fide offer to purchase any DEL operating locations from Diesel Equipment Limited. If Diesel Equipment Limited receives any such third party *bona fide* offer for any DEL operating location which it is willing to accept then DEL shall provide a notice to GCD setting out the details of such offer and providing a copy of such offer. GCD shall then have 15 business days to notify Diesel Equipment Limited in writing that it will match all the terms of the third-party offer. If such notice to match is given and received within the said 15 business day period, then GCD and Diesel Equipment Limited shall proceed to close the transaction substantially in accordance with the

terms as set out in the third-party offer. If no such notice is given to DEL within the said 15 business days, then GCD shall be deemed to have declined such right to purchase and Diesel Equipment Limited shall be authorized to accept the third-party offer.

ARTICLE FIVE – RESTRICTIONS ON TRANSFER OF SHARES OF CORPORATION

5.1 **No Dealing with Shares.** Each of the Shareholders covenants that they will not sell, assign, donate, encumber, transfer, mortgage, pledge, charge, subject to a security interest, hypothecate, or otherwise dispose of or in any way whatsoever directly or indirectly, deal with the ownership of any of the Shares of the Corporation or securities convertible into Shares of the Corporation now or hereafter beneficially owned by them, except in accordance with the terms of this Agreement, or except with the prior written unanimous consent of the other Shareholder(s). Notwithstanding the above, the Shareholders shall be permitted to pledge, charge or hypothecate their Shares in favour of the Corporation's bankers when required or demanded by the Corporation's bankers.

5.2 **Transfer to Permitted Transferee.** Notwithstanding the provisions of Section 5.1 and any other provisions of this Agreement which restrict the disposition of or dealing with Shares of the Corporation, a Shareholder shall at any time or from time to time have the right, without the approval of the other Shareholders, to dispose of all or any Shares of the Corporation held by such Shareholder to a Permitted Transferee, provided that at the time of such disposition:

- (a) Such Permitted Transferee shall agree with the other parties to this agreement in writing and in form and substance satisfactory to the other Shareholders, acting reasonably, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Permitted Transferee had entered into this Agreement in the place and stead of the Shareholder from whom such Shares are acquired;
- (b) the Permitted Transferee agrees to remain a Permitted Transferee of the Shareholder from whom such Shares were acquired for so long as the Permitted Transferee is a registered and beneficial owner of any Shares of the Corporation; and
- (c) the Shareholders receive in form and substance satisfactory to them, acting reasonably, evidence that the Permitted Transferee is a Permitted Transferee of the Shareholder from whom Shares of the Corporation are to be acquired and that the Agreements referred to in Subsections 5.2(a) and (b) above, are legal, valid and binding obligations of the Permitted Transferee.

5.3 **Continuing Liability of Shareholders.** Notwithstanding a disposition of Shares of the Corporation to a Permitted Transferee, a disposing Shareholder and its Principal shall vis a vis the other parties to this Agreement remain liable as principal debtor under all covenants of such disposing Shareholder and its Principal contained in this Agreement, and the disposing Shareholder

and its Principal agree to unconditionally overwrite to the other parties to this Agreement the due performance by the Permitted Transferee of all obligations imposed on such Permitted Transferee under this Agreement.

5.4 Future Guarantees. The disposing Shareholder and its Principal agree that, notwithstanding any disposition of Shares of the Corporation held by the disposing Shareholder, such disposing Shareholder and its Principal shall, if required, continue to provide, when required, his personal guarantee to lenders in accordance with the provisions of Section 4.4 of this Agreement (the "Continuing Guarantee"). Such Continuing Guarantee of the disposing Shareholder and its Principal is unconditional and may be enforced against the disposing Shareholder and its Principal without any proceedings being taken first against the Permitted Transferee or the pursuit of any other remedies whatsoever.

5.5 Waiver. The disposing Shareholder and its Principal authorize the other parties hereto to take any steps necessary, to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations and the disposing Shareholder and its Principal hereby waive presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this Continuing Guarantee by the other parties to this Agreement.

5.6 Transfer of Shares to Permitted Transferee. If Shares of the Corporation are transferred by a Shareholder to one or more Permitted Transferee(s), such Permitted Transferee(s) together with the Shareholder (should such Shareholder retain any Shares of the Corporation), acting unanimously, shall be entitled to exercise all rights of such Shareholder hereunder.

5.7 Permitted Transferee Shares - Voting. Whenever the Shareholders of the Corporation are required to vote on any matter, each original Shareholder and, if applicable, any Permitted Transferees that have received Shares of the Corporation in accordance with this Agreement shall meet and determine how their Shares shall be voted. The decision of the holders of fifty-one percent (51%) of the voting securities of the Corporation beneficially owned by such persons shall be binding on all such persons. All rules and requirements regarding meetings of Shareholders of the Corporation shall apply to meetings of such persons, mutatis mutandis. Notwithstanding the foregoing, in the event such persons are unable to reach a decision in the manner contemplated in this Section 5.7, they shall be deemed to have decided to vote their Shares in the manner that the original Shareholder directs and shall do and cause to be done all things necessary so that their Shares are voted accordingly.

ARTICLE SIX – RESTRICTIONS ON TRANSFER OF SHARES OF SHAREHOLDER

6.1 Transfer of Shares of Corporate Shareholder. Each of the Principals covenants that, so long as the Shareholder of which he is the Principal is a Shareholder, he will not sell, assign, donate,

encumber, transfer, mortgage, pledge, charge, subject to a security interest, hypothecate, or otherwise dispose of or in any way whatsoever directly or indirectly, deal with the ownership of any of the Shares of the Shareholder or securities convertible into Shares of the Shareholder now or hereafter beneficially owned by him, except in accordance with the terms of this Agreement, or except with the prior written unanimous consent of the other Shareholder(s).

6.2 Transfer to Permitted Transferee. Notwithstanding the provisions of Section 6.1 and any other provisions of this Agreement which restrict the disposition of or dealing with Shares of the Corporation, a Principal shall at any time or from time to time have the right, without the approval of the other Shareholders, to dispose of all or any Shares of the Shareholder of which he is the Principal to a Permitted Transferee, provided that at the time of such disposition:

- (a) Such Permitted Transferee shall agree with the other parties to this Agreement in writing and in form and substance satisfactory to the other Shareholder, acting reasonably, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Permitted Transferee had entered into this Agreement in the place and stead of the Principal from whom such Shares are acquired;
- (b) the Permitted Transferee agrees to remain a Permitted Transferee of the Principal from whom such Shares were acquired for so long as the Permitted Transferee is a registered and beneficial owner of any Shares of the Shareholder of which Shares were acquired; and
- (c) the Shareholders receive in form and substance satisfactory to them, acting reasonably, that the Permitted Transferee is a Permitted Transferee of the Principal from whom Shares of a Shareholder are to be acquired and that the Agreements referred to in Subsections 6.2(a) and (b) above, are legal, valid and binding obligations of the Permitted Transferee.

6.3 Continuing Liability of Principal. Notwithstanding a disposition of Shares of a Shareholder to a Permitted Transferee, a disposing Principal shall vis à vis the other parties to this Agreement remain liable as principal debtor under all covenants of such disposing Principal contained in this Agreement, and the disposing Principal agrees to unconditionally overwrite to the other parties to this Agreement the due performance by the Permitted Transferee of all obligations imposed on such Permitted Transferee under this Agreement.

6.4 Future Guarantees. The disposing Principal agrees that, notwithstanding any disposition of Shares of a Shareholder held by the disposing Principal, such disposing Principal shall, if required, continue to provide, when required, his personal guarantee to lenders in accordance with the provisions of Section 4.4 of this Agreement (the "Continuing Guarantee"). Such Continuing Guarantee of the disposing Principal is unconditional and may be enforced against the disposing Principal without any proceedings being taken first against the Permitted Transferee or the pursuit of any other remedies whatsoever.

6.5 **Waiver.** The disposing Principal authorizes the other parties hereto to take any steps necessary, to renew, compromise, extend, accelerate or otherwise change the time for payment or any term relating to the performance of any such obligations and the disposing Principal hereby waives presentment, protest, notice of protest, notice of dishonour, demand for performance and notice of acceptance of this Continuing Guarantee by the other parties to this Agreement.

6.6 **Transfer of Shares to Permitted Transferee.** If Shares of a Shareholder are transferred by a Principal to one or more Permitted Transferee(s), such Permitted Transferee(s) together with the Principal (should he or she retain any Shares of the Corporation), acting unanimously, shall be entitled to exercise all rights of such Shareholder hereunder.

6.7 **No Reorganization of Corporate Shareholder.** Each Principal and the corporate Shareholder of which he is the Principal covenants that, so long as the said corporate Shareholder is a Shareholder of the Corporation, they shall not cause or permit such corporate Shareholder to take part in any amalgamation, merger, reorganization or similar proceeding, the effect of which would result in the Principal in question losing operational control of the Shareholder for which he is the Principal. For the purposes of this Section, "voting shares" shall mean Shares of any class or classes to which are attached voting rights exercisable under all circumstances or under certain circumstances which have occurred and are continuing, the exercise of which voting rights by the owner of the voting Shares is not restricted by Agreement or in any other manner whatever. For purposes of this Agreement, the Principal shall be considered to be the "Principal" of the resulting body corporate.

ARTICLE SEVEN – DEATH

7.1 **Compulsory Share Purchase Upon Death prior to the First Anniversary Date of this Agreement.** In the event of the death of STANG (hereinafter in this Article referred to as the "Deceased") at any time prior to the first anniversary date of this Agreement, then the Corporation (hereinafter in this Article referred to as the "Purchaser") shall purchase for cancellation all of the Shares of the Corporation (hereinafter in this Article called the "Purchased Shares") owned by GCD (hereinafter in this Article referred to as the "Vendor") at their fair market value as of the date of death of the Deceased, upon and subject to the terms and conditions hereinafter set forth.

7.2 **Collection of Life Insurance Proceeds.** Where the Deceased has died prior to the first anniversary date of this Agreement, then the Corporation shall collect the life insurance proceeds referred to in Article Fourteen hereof and shall use such life insurance proceeds first to facilitate the purchase of GCD's Purchased Shares at their market value and then, to the extent that any surplus funds remain from such life insurance proceeds, the Corporation shall pay the balance to the Deceased's estate as a capital dividend.

7.3 **Compulsory Share Purchase Upon Death Subsequent to the First Anniversary Date of**

this Agreement. In the event of the death of STANG (hereinafter in this Article referred to as the "Deceased") at any time subsequent to the first anniversary date of this Agreement, then the Corporation (hereinafter in this Article referred to as the "Purchaser") shall use such life insurance proceeds first to pay any remaining balance of the Related Party Loan and secondly to purchase for cancellation all of the Shares owned by DEL at a nominal value of \$1.00 per Share.

7.4 Purchase Price for the Deceased's Shares. The price for the Purchased Shares (hereinafter in this Article called the "Purchase Price") shall be determined in accordance with the provisions of Article Thirteen hereof.

7.5 Payment of Purchase Price. Upon determination of the Purchase Price, a sum equal to the greater of:

- (i) an amount (not to exceed the Purchase Price) equal to the proceeds of all insurance policies on the life of the Deceased, if any, which may be payable to the Purchaser(s) in accordance with the provisions of Article Thirteen hereof; and
- (ii) twenty percent (20%) of the Purchase Price,

shall be paid on the Date of Closing (as defined in Section 7.6); and

- (a) the balance shall be paid in equal consecutive monthly instalments over a period of four (4) years from the Date of Closing, together with interest on the principal balance from time to time outstanding at a rate per annum, calculated monthly, not in advance, both before and after default or judgment and as well after as before maturity, which is equal to the Prime Bank Rate plus two (2) percentage points, with interest on overdue interest at the same rate. Such interest shall be payable at the same time as payments of principal, the first of such instalments of principal and interest to become due and payable one month after the Date of Closing, with interest at the aforesaid rate computed from the Date of Closing. The Prime Bank Rate shall be determined on the Date of Closing and on each payment date thereafter to apply with respect to the balance of the Purchase Price outstanding in the period until the next payment date.

7.6 Date of Closing. For the purposes of this Article the "Date of Closing" is the date which shall be the latest of:

- (a) the date which is Thirty (30) days after the Deceased's death;
- (b) the date which is Thirty (30) days after the Purchase Price for the Purchased Shares is finally determined in accordance with the provisions of Article Thirteen hereof;

- (c) the date upon which the Corporation receives the proceeds of insurance referred to in Article Fourteen hereof and payable on the life of the Deceased or, if applicable, the date on which it is finally determined that no proceeds of insurance are payable; and
- (d) the date on which any approvals required to validly effect the transfer of the Purchased Shares are received.

7.7 Capital Dividend Election. Immediately upon receipt of the insurance proceeds payable on the life of the Deceased, the Corporation shall take all corporate actions and effect all prescribed elections and filings as may be required under the Act so that the Purchase Price shall, to the extent that the capital dividend account (as defined in the Business Corporations Act (Ontario)) of the Corporation has been increased as a result of the Corporation's receipt of the proceeds of life insurance policies payable upon the death of the Deceased, be paid out of the Corporation's capital dividend account. The Shareholders acknowledge that the provisions of this Section 7.6 contemplate the Corporation making an unequal distribution of the capital dividend to the Deceased and the remaining Shareholders covenant and agree to execute such waivers and releases with respect to their entitlement to a proportionate share of the capital dividend as the Corporation or its solicitors deem reasonable in the circumstances.

7.8 Non-Purchase by Corporation. The Corporation shall not complete any transaction of purchase and sale contemplated by this Article Seven if, for any reason, no proceeds of insurance on the life of the Deceased are payable to the Corporation or if, at the Date of Closing, the purchase of the Purchased Shares by the Corporation is then prohibited by law.

ARTICLE EIGHT – DISABILITY

8.1 Optional Share Purchase Upon Disability Prior to the First Anniversary Date of this Agreement. In the event STANG should be mentally incapacitated for a period of six months or more (hereinafter in this Article referred to as the "Disability") at any time prior to the first anniversary date of this Agreement, then DEL (hereinafter in this Article referred to as the "Purchaser") shall have the option, in its sole and absolute discretion, to purchase all of GCD's Shares of the Corporation (hereinafter in this Article called the "Purchased Shares") (GCD hereinafter in this Article referred to as the "Vendor") at their fair market value (as of the date of the Disability), upon and subject to the terms and conditions hereinafter set forth.

8.2 Option of GCD to Remain a Shareholder Upon Disability Subsequent to the First Anniversary Date of this Agreement. In the event of the Disability of STANG (at any time subsequent to the first anniversary date of this Agreement, then the GCD shall have the option, in its sole and absolute discretion, to either (i) remain as a Shareholder of the Corporation in accordance with the terms of this Agreement and to use any disability insurance proceeds available on the life of STANG to solicit such expert or experts required to replace the skill and expertise of STANG. or

to (ii) require that DEL purchase the Purchased Shares

8.3 Purchase Price for STANG's Shares. The price for the Purchased Shares (hereinafter in this Article called the "Purchase Price") shall be the sum of \$1.00 per Purchased Share.

8.4 Payment of Purchase Price. The Purchase Price for the Purchased Shares shall be the nominal amount of \$1.00 per Share and shall be paid on the Date of Closing (as defined in Section 8.5); and

8.5 Date of Closing. For the purposes of this Article the "Date of Closing" is the date which shall be the date which is Thirty (30) days after the determination of STANG's Disability.

ARTICLE NINE – RIGHT OF FIRST REFUSAL

9.1 Notice of Proposed Sale. Until the later of (i) that date on which GCD owns 51% or more of the common Shares of the Corporation or; (ii) the third anniversary of the date of execution of this Agreement, neither Shareholder shall solicit or arrange for, directly or indirectly the sale of any Shares owned by such Shareholder without receiving the prior written consent of the other Shareholder. If any Shareholder (hereinafter in this Article Nine referred to as the "Offeror") receives a bona fide written offer (hereinafter in this Article Nine referred to as the "Offer") from any person, firm or corporation dealing at arm's length with the Offeror to purchase all or any part of the Shares of the Corporation beneficially owned by such Shareholder, which is acceptable to the Shareholder, such Shareholder shall give notice of such Offer (hereinafter in this Article Nine referred to as the "Notice") to the Corporation and to the other Shareholders and shall set out in the Notice the number of Shares to be sold pursuant to the Offer (hereinafter in this Article Nine referred to as the "Offered Shares") and the terms upon which and the price at which (hereinafter in this Article Nine referred to as the "Purchase Price"), such Offered Shares will be sold pursuant to the Offer.

9.2 Right to Purchase Offered Shares. Upon the Notice being given, the other Shareholders (hereinafter in this Section 9.1 sometimes collectively referred to as the "Offerees" and sometimes individually referred to as an "Offeree") shall have the right to purchase all, but not less than all, of the Offered Shares for the Purchase Price. The Offerees shall be entitled to purchase the Offered Shares pro rata based upon the number of Shares beneficially owned by the Offerees or to purchase in such other proportion as the Offerees may agree in writing.

9.3 Notice of Purchase and Additional Purchases. Within Ten (10) Business Days of having been given the Notice, each Offeree desiring to purchase all of the Offered Shares that he is entitled to purchase in accordance with the provisions of Section 9.2 shall give notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree does not give such notice, the Offered Shares that he had been entitled to purchase (hereinafter in this Section 9.3 referred to as the "Rejected Shares") may instead be purchased by the Offerees who did give such notice, pro rata based upon

the number of Shares beneficially owned by such Offerees as between themselves or in such other proportion as such Offerees may agree in writing, and, within Five (5) Business Days of the expiry of the Ten (10) Business Day period specified in this Section 9.3, each Offeree who desires to purchase all of the Rejected Shares that he is entitled to purchase in accordance with the provisions of this Section 9.3 shall give an additional notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree entitled to give the said additional notice does not do so, the Rejected Shares that he had been entitled to purchase may instead be purchased by the Offerees who did give such notice, and so on from time to time until the Offerees are willing to purchase all of the Offered Shares or until they are not willing to purchase any more. If the Offerees are willing to purchase all, but not less than all, of the Offered Shares, the transaction of purchase and sale shall be completed in accordance with the terms set out in the Notice.

9.4 Default in Transferring Shares. If the Offeror makes default in transferring the Offered Shares to the Offerees in accordance with the terms set out in the Notice, the Secretary of the Corporation is authorized and directed to receive the purchase money and to thereupon cause the names of the Offerees to be entered in the registers of the Corporation as the holders of the Shares purchasable by them. The said purchase money shall be held in trust by the Corporation on behalf of the Offeror and not commingled with the Corporation's assets, except that any interest thereon shall be for the account of the Corporation. The receipt by the Secretary of the Corporation for the purchase money shall be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation in exercise of the aforesaid power, the validity of the proceedings shall not be subject to question by any person. On such registration, the Offeror will then be entitled to receive, without interest, the purchase price received by the Secretary of the Corporation.

9.5 What Shares can be Sold to Third Party. If the Offerees do not give notice in accordance with the provisions of Section 9.3 that they are willing to purchase all of the Offered Shares, the rights of the Offerees, subject as hereinafter provided, to purchase the Offered Shares shall forthwith cease and determine and the Offeror may sell the Offered Shares to the third party purchaser within Ninety (90) days after the expiry of the Ten (10) Business Day period or Five (5) Business Day periods, as the case may be, specified in Section 9.3, for a price not less than the Purchase Price and on other terms no more favourable to such person than those set forth in the Notice, provided that the person to whom the Offeror's Shares are to be sold agrees prior to such transaction to be bound by this Agreement and to become a party hereto in place of the Offeror with respect to the Offered Shares. If the Offered Shares are not sold within such Ninety (90) day period on such terms, the rights of the Offerees pursuant to this Section 9.1 shall again take effect and so on from time to time.

ARTICLE TEN – INTENTIONALLY DELETED

ARTICLE ELEVEN – PIGGYBACK RIGHT

11.1 "Piggyback" Rights. In the event that an Offeror proposes to sell the Offered Shares to a third party pursuant to Article Nine (hereinafter referred to as the "Third Party"), the Offeror shall,

within Thirty (30) days following the expiry of the Ten (10) and Five (5) Business Day Periods referred to in Section 9.3, give written notice (the "Piggyback Notice") of the identity of the Third Party and the price and other material terms of the transaction to the Offeree (a "Declining Offeree") that elected not to exercise its rights to purchase such Offered Shares. The Declining Offeree may, not later than Five (5) Business Days after receipt of the Piggyback Notice, deliver to the Offeror a notice in writing invoking the provisions of this Article Eleven (a "Piggyback Demand"). The delivery by the Declining Offeree of a Piggyback Demand shall be irrevocable and shall bind the Declining Offeree to sell all but not less than all of the Shares (the "Piggyback Shares") owned by the Declining Offeree, in accordance with the provisions of this Article Eleven.

11.2 **"Piggyback Offer"**. If the Declining Offeree delivers a Piggyback Demand, then, before completing any sale, the Offeror shall cause the Third Party to deliver to the Declining Offeree a bona fide offer in writing (the "Piggyback Offer") to purchase from such Declining Offeree the Piggyback Shares. The Piggyback Offer will be binding upon the Third Party and shall contain only such terms and conditions as are identical to those upon which the Offeror proposes to sell to the Third Party the Offered Shares pursuant to Section 9.5, provided that the offer price per Piggyback Share, which shall be specified in the Piggyback Offer, shall be the same consideration as, or the cash equivalent of, the consideration per Offered Share at which the Offeror proposes to sell to the Third Party the Offered Shares pursuant to Section 9.5. The closing date and other closing arrangements for the purchase and sale transaction between the Declining Offeree and the Third Party shall be specified in the Piggyback Offer and shall be the same, mutatis mutandis, as those specified between the Third Party and the Offeror.

11.4 **Non-Exercise of "Piggyback Offer"**- Notwithstanding anything else contained in this Agreement to the contrary, the provisions of this Article Eleven shall be inoperable and of no force or effect until the later of (i) that date on which GCD owns 51% or more of the common Shares of the Corporation or; (ii) the third anniversary of the date of execution of this Agreement.

ARTICLE TWELVE – MATCHING BID

12.1 **Offer**. If the Shareholders receive a bona fide written cash offer (hereinafter in this Article Twelve referred to as the "Offer"), from any person dealing at arm's length with each of the Shareholders, to purchase all of the shares of the Corporation, each Shareholder shall, within five days following receipt by him of the Offer, deliver a written notice to the other Shareholder(s) indicating whether or not he wishes to accept the Offer, together with a copy of the Offer. If any Shareholder fails to deliver such written notice to the other Shareholder(s) as aforesaid, such Shareholder shall be deemed to have delivered a notice indicating that he wishes to accept the Offer.

12.2 **Matching Bid**. If one or more Shareholder(s) holding, in aggregate, a majority of the fully-participating Shares of the Corporation then outstanding (in this Article, sometimes called the "Offeror(s)") indicate or are deemed to have indicated that they wish to accept the Offer, the Offeror(s) may, by written notice delivered to each of the Shareholder(s) who have not indicated

that they wish to accept the Offer (in this Article Twelve sometimes referred to as the "Offeree(s)") within five days following the end of the five day period referred to in Section 12.1 hereof, offer to sell to the Offeree(s) (in this Article Twelve referred to as the "Second Offer") all of the Shares of the Corporation beneficially owned by the Offeror(s) (in this Article Twelve referred to as the "Purchased Shares") on the same terms and conditions as are contained in the Offer, exclusive of any commission or similar fee payable to any broker, agent or other intermediary contemplated by the Offer. An Offeree shall be entitled to accept the Second Offer by delivering written notice of his acceptance to each of the Offeror(s) within Five (5) days of the delivery of the Second Offer by the Offeror(s).

12.3 Acceptance of Second Offer. If the Second Offer is accepted by one or more of the Offeree(s) within the prescribed time, then the Offeror(s) (in this Article Twelve sometimes referred to as the "Vendor(s)") shall sell to the Offeree(s) who shall have accepted the Second Offer (in this Article Twelve sometimes referred to as the "Purchaser(s)") and the Purchaser(s) shall purchase from the Vendor(s) the Purchased Shares upon the terms and conditions contained in the Second Offer, except that the transaction of purchase and sale in question shall take place on the date which is Twenty (20) days following the date upon which the last of the Offeree(s) accept(s) the Second Offer (hereinafter in this Article referred to as the "Date of Closing"). If there is more than one Purchaser, the Purchasers shall purchase the Purchased Shares pro rata to their respective beneficial ownership of fully- participating Shares of the Corporation as of the date of sending of the Second Offer by the Offeror(s).

12.4 Non-Acceptance of Second Offer. If no Offeree accepts the Second Offer within the prescribed time then, notwithstanding the notice otherwise delivered by the Offeree(s) to the Offeror(s) in accordance with the provisions of Section 12.2 hereof, each Offeree shall be deemed to have delivered a Notice to the other Shareholders in accordance with the provisions of Section 12.1 hereof indicating that he wishes to accept the Offer.

12.5 Acceptance by all Shareholders. If all of the Shareholders indicate that they wish to accept, or are deemed to have indicated that they wish to accept, the Offer, the Shareholders shall do all things necessary and sign such documents as are required to cause the Offer to be accepted and the Shareholders shall sell all of the Shares of the Corporation beneficially owned by them to the third-party offeror in accordance with the terms and conditions contained in the Offer. In such event, each Shareholder hereby irrevocably appoints each of the other Shareholder(s) as his attorney, in accordance with the Powers of Attorney Act, to execute all such documents and to do all such things as may be necessary to accept the Offer and to complete such transaction.

12.6 Non-Exercise of "Matching Bid"- Notwithstanding anything else contained in this Agreement to the contrary, the provisions of this Article Twelve shall be inoperable and of no force or effect until the later of (i) that date on which GCD owns 51% or more of the common Shares of the Corporation or; (ii) the third anniversary of the date of execution of this Agreement

ARTICLE THIRTEEN – VALUATION

13.1 **Fair Market Value.** Except as otherwise expressly provided herein, for all purposes of this Agreement, "Fair Market Value" shall mean the fair market value of all the issued and outstanding Shares of the Corporation as at the Relevant Date as determined in accordance with definition of fair market value as set out in Article 3.17 hereof.

ARTICLE FOURTEEN – INSURANCE

14.1 **Ensuring Sufficient Funds.** The Shareholders and the Corporation hereby acknowledge that, in order to ensure that sufficient funds will be available for the purposes of Article Seven hereof, the insurance policies, particulars of which have been set forth in Schedule "A" hereto and initialed by the owner and life insured thereunder have been obtained. The Shareholders further acknowledge and agree that the provisions of this Article shall apply to any additional policy of insurance which may be obtained by the Shareholders, from time to time, provided that particulars of such additional policy are endorsed on the aforesaid Schedule "A" and initialed by the owner and life insured under each such policy.

14.2 **Maintenance of Insurance Policy.** The owner of each such insurance policy shall pay, as they become due, all premiums in connection with such insurance policy, shall maintain in good standing at all times such policy and shall not deal in any manner with such policy and, without limiting the generality of the foregoing, shall not assign, transfer, dispose of, surrender, borrow upon or in any way encumber such policy.

14.3 **Default in Payment.** If the owner of any such insurance policy defaults in the payment of any premium, then the Corporation shall (and is hereby authorized, directed and required to) pay the same as often as such default shall occur and shall be reimbursed therefor by the defaulting party. The Corporation shall be entitled to recover each amount so paid by deduction from any salary, allowance, profit or other distribution or withdrawal to which the defaulting party may at any time thereafter be entitled. If the Corporation is not provided with proof of the payment of any insurance premium, within ten (10) days after its due date, the Corporation shall be entitled to pay the said premium and be reimbursed accordingly.

14.4 **Death of Insured.** Upon the death of the life insured under any such insurance policy during the term of this Agreement, the owner of such policy shall collect the proceeds thereof as soon as possible and, shall hold such proceeds in trust and for the benefit of the payees as set out in Article 7, and shall pay and apply such proceeds or the amount thereof required towards the repayment of the Related Party Loans and the purchase price of the shares to be purchased on the Date of Closing, as defined in Article Seven.

14.5 **Departing Insured.** On the Date of Closing of any transaction of purchase and sale wherein a particular life insured (the "Departing Insured") is the vendor or the Principal of the vendor

(except upon the death or disability of such individual) or if this agreement should be cancelled with the consent of the parties or if the Corporation should be wound-up or dissolved, thereupon the ownership of the insurance policies then set out (or which should have been set out) in Schedule "A" hereto shall be transferred to the life insured thereunder who is the Departing Insured or to all of the lives insured hereunder, as the case may be, in consideration for the payment of the cash surrender value thereof, or if there be no cash surrender value, then for the sum of One Dollar (\$1.00) for each such policy, together, in each case, with the full amount of any unexpired prepaid premiums for such policy and the owner(s) shall convey, assign, transfer and make-over such policies of insurance of the person whose life is insured thereunder.

ARTICLE FIFTEEN – GENERAL SALE PROVISIONS

15.1 Application of General Sale Provisions. Except as may otherwise be provided in this Agreement, the provisions of this Article Fifteen shall apply to any sale of Shares of the Corporation pursuant to Articles Seven, Eight, Nine and Ten hereof, mutatis mutandis.

15.2 Requirements of Vendor. On the Date of Closing, as defined in this Agreement, the Shareholder selling its Shares of the Corporation pursuant to the terms of this Agreement (also hereinafter referred to as a "Vendor") shall:

- (a) deliver to the Corporation signed resignations of the Vendor, its Principal and his nominees, if any, as a director, officer and employee of the Corporation, as the case may be;
- (b) the Vendor shall deliver or cause to be delivered to the Purchaser(s) the certificate(s) representing the Purchased Shares, duly endorsed by the Vendor for transfer or accompanied by appropriate transfers duly executed by the Vendor, together with a representation and warranty executed by the Vendor in favour of the Purchaser(s) that the Purchased Shares are owned of record and beneficially by the Vendor with a good and marketable title thereto, free and clear of any mortgage, lien, charge, pledge, hypothecation, security interest, encumbrance, restriction, covenant, right, demand or adverse claim of any kind;
- (c) deliver to the Corporation a release by each of the Vendor, its Principal and his nominees, if any, of all his claims against the Corporation with respect to any matter or thing arising up to and including the Date of Closing which the Vendor, its Principal or any such nominee knew or ought to have known in his capacity as a director, officer, shareholder, employee or creditor of the Corporation, or as a party to this agreement, as the case may be, provided however, that such release shall not relate to any indebtedness of the Corporation to the Vendor being purchased by the Purchaser hereunder or any indebtedness of the Corporation on account of accrued and unpaid salary, expenses, pension or other employee benefits or any claims

which might arise out of the transactions of purchase and sale herein contemplated;

- (d) deliver to the Shareholder(s) purchasing the Vendor's Shares of the Corporation, their Principal(s), the Purchaser(s)' nominees, all directors of the Corporation and all other parties to this agreement, other than the Corporation, a release by the Vendor, its Principal and each of his nominees, if any, of all of his claims against such parties relating to matters the Vendor, its Principal or any such nominee knew or ought to have known in his capacity as a shareholder, director or officer of the Corporation or as a party to this agreement, except for any claims which might arise out of the transactions of purchase and sale herein contemplated.

15.3 Requirements of Purchaser. On the Date of Closing, the Shareholder(s) purchasing the Vendor's Shares of the Corporation (hereinafter referred to as the "Purchaser(s)") shall:

- (a) deliver to the Vendor, its Principal and his nominees, if any, a release by the Purchaser(s) and their nominees, if any, with respect to those matters which any of the Purchaser(s) or their nominees knew or ought to have known in their capacity as a Director, Officer or Shareholder of the Corporation, or as a party to this Agreement, of their claims against each of the Vendor, its Principal and his nominees, if any, in his capacity as a Shareholder, Director or Officer of the Corporation, except for any claims which may arise out of the transactions of purchase and sale herein contemplated; and
- (b) cause the Corporation to deliver to the Vendor, its Principal and his nominees, if any a release by the Corporation of all its claims against the Vendor, its Principal and his nominees, if any with respect to any matter or thing which the books and records of the Corporation reflect or which was done in the ordinary course of the Corporation's business and arising as a result of the Vendor or any such nominee being a Shareholder, Director, Officer or Employee of the Corporation, as the case may be.

15.4 Vendor Indebted to Corporation. If, on the Date of Closing, the Vendor or its Principal or any Permitted Transferee of such Vendor or Principal is indebted to the Corporation in an amount recorded on the books of the Corporation and verified by the external accountants of the Corporation, the Purchaser(s) shall have the right to pay or satisfy all or any portion of such indebtedness and to receive and take credit against the purchase price for the Purchased Shares for the amount so paid on account of the indebtedness. Such amount so paid or satisfied shall reduce that portion of the purchase price payable on the Date of Closing and thereafter shall reduce payments on account of the said purchase price in order of maturity.

15.5 Failure to Complete Transaction. If the Vendor is not present on the Date of Closing, or is present but fails for any reason whatsoever to comply with Section 15.2 or any other relevant

requirements hereof, in addition to and without limitation to any other rights it may have at law, the Purchaser(s) may make payment of the amount payable pursuant to Articles Seven, Eight, Nine or Ten, as the case may be by depositing such amount into a special interest-bearing account at a branch of the Corporation's bankers in the name of the Vendor. Such deposit shall constitute valid and effective payment of such amount to the Vendor, even though the Vendor has voluntarily encumbered or disposed of any of the Shares of the Corporation to be sold to the Vendor to be so assigned and notwithstanding the fact that a certificate or certificates representing any such Shares of the Corporation may have been delivered to any pledgee, transferee or other person.

15.6 Promissory Note. On the Date of Closing, the Purchaser(s) shall deliver to the Vendor a non-negotiable promissory note as evidence of the unpaid balance of the purchase price for the Purchased Shares and the terms of payment thereof, in a form reasonably satisfactory to the Vendor.

15.7 Prepayment. If not in default hereunder, the Purchaser(s) shall have the privilege of prepaying the whole or any part of the unpaid balance of the purchase price for the Purchased Shares at any time or times, without notice or bonus, upon paying accrued interest to the date of prepayment. Any and all prepayments shall be applied against instalments of the unpaid balance of the said purchase price in reverse order of maturity.

15.8 Default in Payment. If the Purchaser defaults in any payment of the unpaid balance of the purchase price for the Purchased Shares or in the performance of any covenant then, without prejudice to any other rights which the Vendor may have, the whole unpaid balance of such purchase price shall, at the option of the Vendor exercised by the giving of written notice to that effect to the Purchaser, immediately be accelerated and become due and payable in full.

15.9 Covenants of the Parties. From and after the occurrence of an event giving rise to a transaction of purchase and sale to which this Article applies until the Date of Closing, the Shareholders shall not do, nor cause, nor permit to be done anything except that which is in the ordinary course of business of the Corporation. Further, the parties hereto covenant and agree that from and after the occurrence of an event giving rise to a transaction of purchase and sale pursuant to the terms hereof, they shall do all things necessary or desirable to cause the transaction of purchase and sale to be completed as soon as possible.

15.10 No Joint Liability. For greater certainty, the parties hereto acknowledge and agree that the Purchasers in any transaction of purchase and sale contemplated in this agreement are not jointly liable for the payment of the purchase price for the Purchased Shares but are only liable for their proportionate share thereof.

15.11 Payments Required by Vendor. From and after the Date of Closing of any transaction of purchase and sale to which this Article applies, the Vendor covenants and agrees to pay to the Purchaser(s) forthwith upon demand (and the Purchaser(s) has the right to set off any amount owing to it hereunder against any balance of the purchase price for the Purchased Shares) a proportionate

amount of the following amounts, the proportion to be equal to the ratio which the number of fully-participating Shares of the Corporation sold by the Vendor to the Purchaser(s) bear(s) to the total number of issued and outstanding fully-participating Shares of the Corporation at the time of such sale:

- (a) Any and all debts, liabilities and contracts, whether contingent or otherwise (including any liability for federal, provincial, sales, excise, income or other taxes of the Corporation) either (i) existing on the Date of Closing or incurred prior to that time and not disclosed in or included in the most recent financial statements of the Corporation; or (ii) incurred since the date of such financial statements in respect of the period prior to the Date of Closing by the Corporation other than in the ordinary course of business and not incurred solely as a result of the action or lack of action of the Purchaser(s); and
- (b) an amount equal to any assessment or re-assessment for income tax, sales tax or any other governmental levies or duties plus any interest and penalties for any period up to the Date of Closing, provided that such assessment or re-assessment has not been caused solely by the actions or inactions of the Purchaser(s) and provided that the amount thereof is not reflected in the most recent financial statements of the Corporation.

15.12 Date of Closing. For the purposes of this Agreement the closing of any transaction of purchase and sale contemplated in Articles Seven, Eight, Nine or Ten shall take place at the offices of the solicitors for the Purchaser(s) at 2:00 p.m. on the Date of Closing or at a place and time as otherwise mutually agreed by the parties.

ARTICLE SIXTEEN – ARBITRATION

16.1 Arbitration. If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator. The arbitrator shall be appointed by agreement between the parties or, in default of agreement, such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region, upon the application of any of the said parties and a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region shall be entitled to act as such arbitrator, if he so desires. The arbitration shall be held in the Municipality of Metropolitan Toronto. The procedure to be followed shall be agreed by the parties or, in default of agreement, determined by the arbitrator. The arbitration shall proceed in accordance with the provisions of the Arbitrations Act (Ontario). The arbitrator shall have the power to proceed with the arbitration and to deliver his award notwithstanding the default by any party in respect of any procedural order made by the arbitrator. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The decision arrived at by the board of arbitration, howsoever

constituted, shall be final and binding and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

ARTICLE SEVENTEEN – NON-COMPETITION ARRANGEMENTS

17.1 **Shareholder and Principal Covenants.** Without the prior written consent of each Principal, each Shareholder and Principal covenants and agrees with the other parties bound hereby and with the Corporation NOT TO:

- (a) *Non-deal and non-solicit:* carry on or be engaged, concerned or interested in or assist any business which is in competition with the Business carried on by the Corporation as more particularly described in Schedule “B” either seek to procure orders from, or do business with, or procure directly or indirectly any other person to procure orders from or do business with, any person who has been a client or customer of the Corporation at any time during the period of twelve (12) before the date of this Agreement;
- (b) *Non-poach:* in connection with the Business carried on by the Corporation as more particularly described in Schedule “B”, engage, employ, or contact with a view to the engagement or employment by any person, any employee, officer or manager of the Corporation or any person who has been an employee, officer or manager of the Corporation in the twelve (12) months before the date of this Agreement in either case where the employee, officer of manager either as a part of his duties is privy to Confidential Information or would be in a position to exploit the connections of the Corporation;
- (c) *Non-interfere with customers and others:* do or say anything which is harmful to the reputation of the Corporation or which may lead any person to cease to deal with the Corporation on substantially equivalent terms to those previously offered or at all; or
- (d) *Non-interfere with suppliers and others:* seek to contract with or engage (in such a way as to adversely affect the Business as carried on by the Corporation at the date of this Agreement and as more particularly described in Schedule “B”) any person who has been contracted with or engaged to manufacture, assemble, supply or deliver products, goods, materials or services to the Corporation at any time during the period of twelve (12) months before the date of this Agreement.
- (e) It is agreed between the Parties that, while the restrictions set out above are considered fair and reasonable, if it should be found that any of the restrictions be void or unenforceable as going beyond what is fair and

reasonable in all the circumstances and if by deleting part of the wording or substituting a shorter period of time or different geographical limit or a more restricted range of activities for any of the periods of time, geographical limits or ranges of activities set out in this Section 17.1 it would not be void or unenforceable, then there shall be substituted such next less extensive period or limit or activity or such deletions shall be made as shall render this Section 17.1 valid and enforceable.

- (f) Until such time as GCD has acquired all of the Shares in the capital of the Corporation, GCD agrees that it shall refrain from expanding, establishing or purchasing another business which is detrimental to the Business of the Corporation or which would impair the ability of the parties to fulfil the requirements of Article Three A set out hereinabove.

17.2 Specific Non-Competition Covenants.

- (a) DEL and its Affiliated corporations acknowledge that GCD and its Affiliated corporations currently carry on an upfitting business as more particularly described in Schedule "B" and GCD acknowledges that DEL and its Affiliated corporations currently carry on an upfitting business. The Parties hereto acknowledge and agree that the specific upfitting businesses shall be entitled to continue and they shall not be in breach of the covenants set out in Article 17.1 above. GCD and its Affiliated corporations covenant not to expand or establish any business as set out in Schedule "B" in Ontario which would be prohibited without the consent of the Principals in accordance with schedule "B" during the currency of this agreement and for a period of two (2) years thereafter if this Agreement is terminated before the Related Party Loan has been fully repaid. DEL and its Affiliated Corporations covenant not to expand or establish any business as set out in Schedule "B" in Ontario which would be prohibited without the prior consent of the Principals in accordance with schedule "B" during the currency of this agreement and for a period of two (2) years thereafter if this Agreement is terminated before the Related Party Loan has been fully repaid.
- (b) GCD and its Affiliated corporations shall not expand their businesses or establish any new businesses outside of Ontario during the currency of the Agreement and for a period of two (2) years thereafter which may be prohibited or require the prior consent of the Principals as set out in Schedule "B" if the Related Party Loan has not been fully repaid, without the consent in writing of MARTIN.
- (c) Each of DEL and GCD and their respective Affiliated corporations acknowledge the existing competitive business carried on by the other parties

hereto. Each party hereto covenants that neither it nor its Affiliated corporations will extend its Affiliated Corporations' suite of product offerings during the currency of this agreement and for a period of two (2) years thereafter other than as may be permitted in accordance with Schedule "B" attached hereto.

- (d) GCD covenants that neither it nor its Affiliated corporations will pursue or enter into a pool agreement with General Motors of Canada, Ford or Fiat – Chrysler during the currency of this Agreement and for a period of two years thereafter if the Related Party Loan has not been fully repaid.
- (e) Notwithstanding the above specific covenants and agreements set out in section 17.2 and the general covenants and agreements set out in section 17.1, Each Party hereto and their respective Affiliated Corporations agree that the more specific restrictions and particulars of their respective businesses and their locations as set out in Schedule "B" attached hereto shall override the generalities set out above regarding the aforesaid restrictive covenants.
- (f) Each Party hereto and their respective Affiliated Corporations acknowledge and agree that in the event of any inconsistencies between the provisions contained in Article Seventeen and the provisions contained in Schedule "B" attached hereto, the provisions of Schedule "B" attached hereto shall prevail and be paramount to the extent of the inconsistency.

17.3 Shareholder Acknowledgment. The covenants made in Article Seventeen hereof are made by each Shareholder and Principal acknowledging that they have specific knowledge of the affairs of the Corporation and that the Corporation carries on and intends to carry on business throughout the geographic area specified in Article Seventeen hereof. If any of the covenants therein contained shall be held unreasonable by reason of the area, duration or type or scope of service covered by the said covenant, then the said covenant shall be given effect to in such reduced form as may be decided by any court of competent jurisdiction. Each Shareholder and Principal hereby acknowledges that all restrictions hereinbefore contained are reasonable and valid and all defences to the strict enforcement of all or any portion thereof are hereby waived. In the event that any clause or portion of any such covenant should be unenforceable or declared invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenant or of this Agreement and such unenforceable or invalid portion shall be severable from the remainder of this Agreement.

17.4 Protection of Personal Information and Consents to Use of Personal Information. The parties hereto recognize that any information concerning the principals, and the officers and directors of the corporation may be subject to the requirements of the *Personal Information Protection and Electronic Documents Act*, 2000, c. 5 and other laws governing privacy.

The Corporation, the Shareholders and the Principals for themselves as principals, as the owners of the Shareholders, and to the extent that they are officers and directors of the Corporation, as officers and directors of the Corporation hereby consent to the collection, use and disclosure of the information about them as may be required for the following purposes, in order facilitate the purposes of this agreement and facilitate and promote the ongoing business operations of the Corporation:

1. For reporting purposes to any trade or professional association governing the Corporation or any investigative body having authority over the Corporation to the extent that such information is required to be reported to such association or body;
2. As required by law;
3. As required in order to obtain financing for the Corporation;
4. As required to obtain business contracts for the Corporation;
5. In connection with any proposed sale of Shares of the Corporation or of substantially all of the assets of the Corporation to any third party in accordance with the terms of this Agreement;
6. In connection with obtaining employee benefits, in obtaining insurance as required by this agreement;
7. In connection with any outsourcing of information by the corporation to third party suppliers of information processing services, including, without limitation, payroll, health benefits, insurance and pension plan benefits to the extent necessary to provide such services.
8. For the internal operational purpose of the Corporation and to facilitate communications between the Principals, the Shareholders and the Corporation;
9. For any purpose required or permitted under the Personal Information Protection and Electronic Documents Act, 2000, c. 5; and
10. To the individual to whom the information relates or to any other party with the consent of that individual subject to and in accordance with the terms of the Personal Information Protection and Electronic Documents Act, 2000, c. 5.

17.5 Privacy and Personal Information. Each of the Parties hereto acknowledges that through contact with the other Parties hereto, in the course of performing its duties contemplated by this Agreement, it will become aware of Personal Information (as such term is defined in the Personal Information Protection and Electronic Documents Act, 2000, c.5) of the parties hereto who are individuals and Personal Information of other individuals for which the parties hereto are responsible.

Except as expressly permitted in section 17.4 of this Agreement, each of the parties hereto agrees and covenants with each of the parties hereto that it will not, without the prior written consent of such other party, disclose or make available the Personal Information of such other Party or any portion thereof to any other person or entity except for designated employees or agents of the

disclosing party who have a need to access the Personal Information in connection with the use thereof for the purposes of the Corporation or for the purposes directly related to fulfilling or complying with the terms of this Agreement, or other parties with the specific prior written authorization of the party who is responsible for such Personal Information. No employee or agent shall be designated by the Purchaser to access the Personal Information unless such employee agrees to hold the Personal Information in confidence and limit use of the Personal Information to the uses permitted hereby in accordance with a written covenant at least as restrictive as the covenant given by the Purchaser contained in this s. 17.5.

Each party agrees that the Personal Information provided to it by the other parties shall only be used for such purposes as are specified by herein that such party shall not sell, trade, barter, disclose or transfer such Personal Information to any other party or to use the Personal Information for any other purpose other than the purposes permitted by this Agreement. Each party will follow all rules and regulations of the party who is responsible for the Personal Information disclosed or transferred to it by any other party to this Agreement from time to time with respect to use, retention and destruction of Personal Information for which that other party is responsible.

From time to time, the parties hereto shall execute such further agreements to hold in confidence Personal Information of others disclosed or transferred to such party by the Corporation as may be required by the Corporation.

ARTICLE EIGHTEEN – GUARANTEE

18.1 **Guarantee.** Each Principal hereby unconditionally guarantees that the Shareholder of which he is the Principal and STANG INC. hereby unconditionally guarantees that GCD will duly and punctually observe and perform all of the covenants and obligations on its part to be observed and performed pursuant to the provisions of this Agreement or pursuant to any instrument or agreement delivered pursuant to or contemplated by this Agreement and hereby undertakes and agrees to indemnify and save harmless the other Shareholders and Principals from and against all liability, harm, loss, costs, charges, damages and expenses of any nature whatsoever (including legal fees on a solicitor and client basis) occasioned by any act or default of the Shareholder of which he is the Principal or with which it is associated contrary to such covenants and obligations or which may be incurred, suffered or sustained by reason of any failure to observe and perform all or any of such covenants and obligations.

18.2 **Continuing Guarantee.** This guarantee shall be continuing, unconditional and irrevocable and a fresh cause of action shall be deemed to arise in respect of each such default. Without limiting the generality of the foregoing, the obligations of each Principal or STANG INC. hereunder shall not be released, discharged, impaired or in any way affected by any extensions of time, indulgences or modifications granted by any party in favour of another, to enforce any of the terms or provisions of this Agreement or by the bankruptcy, insolvency, dissolution, amalgamation, winding-up or reorganization of the Corporation, or the Shareholder of which he is the Principal or with which it is

associated or by any other act or proceeding in relation to the Corporation, the Shareholder of which he is the Principal or with which it is associated or this Agreement whereby the Principal or Guarantor might otherwise be released or exonerated, and each Principal and the Guarantor hereby waives any right to require the Shareholders, the Principals and Guarantor to exercise or exhaust any action or recourse against any other party before requiring performance by such Principal or Guarantor pursuant to this guarantee.

ARTICLE NINETEEN – UNANIMOUS SHAREHOLDERS' AGREEMENT

19.1 **Removal of Directors' Powers, Duties, etc.** So long as this Agreement is in force, and to the extent that this Agreement specifies that any matters may only be or shall be dealt with or approved by or shall require action by the shareholders, the Directors of the Corporation shall be relieved of all of their rights, duties, powers, obligations and discretions as directors with respect to the management of the business and affairs of the Corporation including, without limitation, all of their rights, duties, powers, obligations and discretions as directors pursuant to the provisions of the Corporation's incorporating statute and all such rights, duties, powers, obligations and discretions removed from the Directors shall be entrusted to the Shareholders.

19.2 **Article Three Not to be Changed.** Article Three and this Article shall not be amended, altered, qualified or terminated unless and until thirty (30) days' prior written notice shall have been given to all of the Directors of the Corporation by registered mail addressed to their latest address as shown in the records of the Corporation, or all of the Directors of the Corporation have given their prior written consent to such amendment, alteration, qualification or termination.

ARTICLE TWENTY – GENERAL CONTRACT PROVISIONS

20.1 All share certificates of the Corporation shall have the following legend endorsed thereon forthwith after the execution of this Agreement and from time to time thereafter:

"The transfer of shares represented by this certificate is subject to an agreement dated the 30th day of April, 2018, made among **DEL EQUIPMENT LIMITED, GCD HOLDINGS (2017) LIMITED, PAUL H. MARTIN, LUC STANG, STANG HOLDINGS INC.** and **DEL EQUIPMENT INC.**"

20.2 **Notices.** All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

if to DEL: 139 Laird Drive
Toronto, Ontario, M4G 3V6
if to GCD: 51 Marine Drive

Callander, Ontario, P0H 1H0
 if to MARTIN: 139 Laird Drive
 Toronto, Ontario, M4G 3V6
 if to STANG: 51 Marine Drive
 Callander, Ontario, P0H 1H0
 if to the Corporation: 139 Laird Drive
 Toronto, Ontario, M4G 3V6

or at such other address as may be given by such person to the other parties hereto in writing from time to time. If any party bound hereby or any permitted Transferee of Shares hereunder shall not have given the parties hereto Notice setting forth an address for the giving of Notices, the Notice for such person shall be deemed to have been properly given if given in accordance with the terms hereof as if given to the Transferor(s) of such Shares.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

20.3 Additional Documents. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

20.4 Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

20.5 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

20.6 Entire Agreement. This agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Schedules "A", "B" and "C" referred to herein are incorporated herein by reference and form part of the Agreement.

20.7 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties

and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

20.8 **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

20.9 **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

20.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

20.11 **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

20.12 **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

20.13 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

20.14 **Extended Meaning of "Shares".** Any reference to Shares of the Corporation means Shares in the capital of the Corporation, as such Shares exist at the close of business on the date of execution and delivery of this Agreement; provided that in the event of a subdivision, redivision, reduction, combination or consolidation, then a reference to Shares of the Corporation shall thereafter mean the Shares resulting from such subdivision, redivision, reduction, combination or consolidation.

20.15 **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.


20.16 Termination of Prior Agreements. All Agreements among some or all of the parties hereto regarding the organization and affairs of the Corporation and/or the sale of any Shareholder's Shares of the Corporation under certain circumstances, whether written or oral, are hereby terminated.

20.17 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

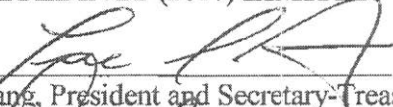
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have duly executed this Shareholder Agreement this 30th day of April, 2018.

DEL EQUIPMENT LIMITED

Per: 
Paul H. Martin, President
I have authority to bind the Corporation

GCD HOLDINGS (2017) LIMITED

Per: 
Luc Stang, President and Secretary-Treasurer
I have authority to bind the Corporation

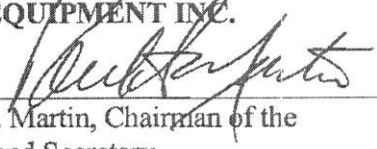
Witness


PAUL H. MARTIN

Witness

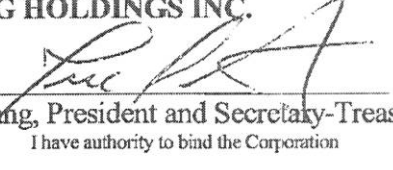

LUC STANG

DEL EQUIPMENT INC.

Per: 
Paul H. Martin, Chairman of the Board and Secretary
I have authority to bind the Corporation

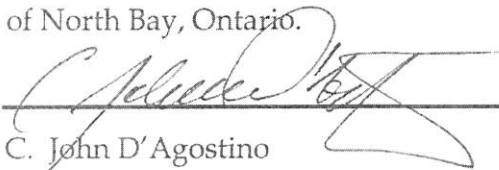
Per: 
Luc Stang, President
I have authority to bind the Corporation

STANG HOLDINGS INC.

Per: 
Luc Stang, President and Secretary-Treasurer
I have authority to bind the Corporation

TAB D

Exhibit "D" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.


C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

FULL AND FINAL MUTUAL RELEASE

RE: All matters pertaining to DEL EQUIPMENT INC. including without limitation its ownership, management, control, operating and financing

WHEREAS the Paul Martin and DEL Equipment Limited (the "Martin Group") and Luc Stang, GCD Holdings (2017) Limited, Gincor Industries Inc. and Stang Holdings Inc. (the "Stang Group") entered into a shareholders' agreement dated April 30, 2018 (the "Shareholders' Agreement") relating to their rights and obligations in respect of the ownership, management and control of DEL EQUIPMENT INC.;

AND WHEREAS each of the Martin Group and the Stang Group (hereinafter the "Parties") have agreed to separate their interests and cease their joint operation and control of DEL EQUIPMENT INC.

NOW THEREFORE In consideration of the sum of \$2.00, and other good and valuable consideration paid by each of the Parties to the other, the receipt and adequacy of which is hereby acknowledged by each said Party, the Parties hereby acknowledge and agree as follows:

A. Each Party releases remises and forever discharges each other Party, together with their respective successors, assigns, officers, directors, shareholders and related, associated or affiliated entities and individuals, from and against all manner of actions, claims, suits, debts, covenants and demands, of any kind, including but not limited to all matters arising from or out of the Shareholders' Agreement, howsoever arising, up to the date hereof, from and against the matters set forth above, SAVE AND EXCEPT FOR THE FOLLOWING ITEMS, ONLY WHICH SHALL NOT BE FULLY AND FINALLY RELEASED:

1. Any trade payables and receivables, in the normal course, for products or services invoiced between the Stang Group and the Martin Group, including each of their affiliated or related companies; and
2. Purchase orders / sales orders, in the normal course, for products or services between the Stang Group and the Martin Group including each of their affiliated or related companies.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, the Parties hereto declare that the intent of this Full and Final Mutual Release is to conclude all issues arising from the matters set forth above.

B. AND FOR THE SAID CONSIDERATION the Parties hereby represent and warrant that they have not assigned to any person, firm, or corporation any of the actions,

causes of action, claims, debts, suits or demands of any nature or kind which they have released by this Full and Final Release.

C. AND FOR THE SAID CONSIDERATION it is agreed and understood that the PARTIES, or any of them, will not make any claim or take any proceedings against any other person or corporation who might claim, in any manner or forum, contribution or indemnity in common law or in equity, or under the provisions of any statute or regulation, from the Parties discharged by this Full and Final Mutual Release in connection with the matters being released herein. IT IS AGREED AND UNDERSTOOD that if any of the Parties commence such an action or application, or take such proceedings, and any of the Parties are added to such proceeding in any manner whatsoever, whether justified in law or not, that initiating Party or those Parties will immediately discontinue the proceedings and/or claims, and such initiating Party or those Parties will be jointly and severally liable to that Party or those Parties so joined, for the legal costs incurred in any such proceeding, on a solicitor and his own client scale. This Full and Final Mutual Release shall operate conclusively as an estoppel in the event of any claim, action, complaint or proceeding which might be brought in the future by all of the Parties hereto with respect to the matters covered by this Full and Final Mutual Release. This Full and Mutual Final Release may be pleaded in the event any such claim, action, complaint or proceeding is brought, as a complete defence and reply, and may be relied upon in any proceeding to dismiss the claim, action, complaint or proceeding on a summary basis and no objection will be raised by that party or those parties in any subsequent action that the other parties in the subsequent action were not privy to formation of this release.

D. AND IT IS HEREBY DECLARED that the terms of the underlying settlement are fully understood, that the consideration stated herein is the sole consideration for this Full and Final Mutual Release and that the said payments are accepted voluntarily for the purpose of making full and final compromise in settlement of all claims and proceedings advanced between, or against the Parties, now or hereafter brought, for damages, loss or injury in respect of the matters set forth above.

E. IT IS UNDERSTOOD AND AGREED that this Full and Final Mutual Release may be executed in two or more counterparts and delivered by pdf, fax or other form of electronic delivery, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution.

F. AND IT IS FURTHER UNDERSTOOD AND AGREED that the fact and terms of this Full and Final Mutual Release and the settlement underlying it will be held in confidence other than its bankers and advisors and will receive no publication either oral or in writing, directly or indirectly, by the Parties, unless deemed essential on auditors' or accountants' written advice for financial statement or income tax purposes, or for the purpose of any judicial proceeding, in which event the fact that the settlement agreement is made without any admission of liability will receive the same publication contemporaneously.

IN WITNESS WHEREOF the parties have duly executed this FULL AND FINAL MUTUAL RELEASE.

DIESEL EQUIPMENT LIMITED

Per: *Paul H. Martin*
Paul H. Martin, President

I have authority to bind the Corporation

Gene Evans Martin

Witness

PAUL H. MARTIN

DEL EQUIPMENT INC.

Per: *Paul H. Martin*

Paul H. Martin, Chairman of the Board and Secretary

I have authority to bind the Corporation

Per: *Luc Stang*

Luc Stang, Chief Executive Officer and President

I have authority to bind the Corporation

U. Bester

Witness

Luc Stang


LUC STANG

GCD HOLDINGS (2017) LIMITED

Per: 
Luc Stang, President

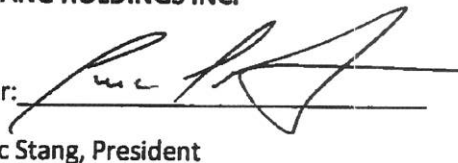
I have authority to bind the Corporation

GINCOR INDUSTRIES INC.

Per: 
Luc Stang, President

I have authority to bind the Corporation

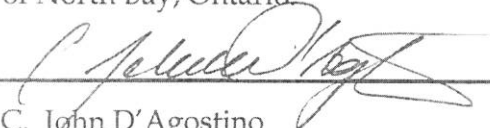
STANG HOLDINGS INC.

Per: 
Luc Stang, President

I have authority to bind the Corporation

T A B E

Exhibit "E" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

Sublease of Part of Premises

SUBLEASE

Made as of April 9, 2018

Between

210 HARRY WALKER HOLDINGS INC.

as Sub landlord

and

DEL EQUIPMENT INC

as Sub tenant

SUBLEASE

THIS SUBLEASE is made as of the 9th day of April 2018, between

210 HARRY WALKER HOLDINGS INC.

as Sublandlord

and

DEL EQUIPMENT INC

as Subtenant

RECITALS

A. By a lease dated the 26th day of November, 2017 (the "Head Lease") made between TILZEN HOLDINGS LIMITED, as landlord (the "Head Landlord"), and the Sublandlord, as tenant, the Head Landlord leased to the Sublandlord certain premises (the "Premises") comprised of the lands described as 210 Harry Walker Parkway North, Newmarket, Ontario and the building located thereon with approximately 105,402 square feet (the "Building") and more particularly described therein, for a term of Ten (10) years from December 1, 2017;

B. The Sublandlord has agreed to sublease to the Subtenant a portion of the Premises (the "Subpremises") as indicated on Schedule "A" attached hereto on the terms and conditions contained herein. The Parties may amend the square footage allocated and/or the rent paid by the sub-tenant based on the respective needs once manufacturing processes have been steamlined. The Sub-Landlord and Sub-Tenant will need to mutually agree to the reallocation of space, with parties acting reasonably; and

C. If applicable, the consent of the Head Landlord to this Sublease has been obtained pursuant to the terms of the Head Lease.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1- SUBLEASE

- (1) The Sublandlord hereby subleases the Subpremises to the Subtenant on the terms and conditions contained in this Sublease.
- (2) The Subtenant acknowledges that:
 - (a) it has inspected the Subpremises prior to taking possession thereof;
 - (b) except as specifically provided in this Sublease, the Subpremises are being accepted in an "as is" condition and the Sublandlord is not responsible for performing any leasehold improvements or other work and the Sublandlord makes no representations or warranties as to the state of the Subpremises;
 - (c) the taking of possession of the Subpremises is conclusive evidence as against the Subtenant that, at the time of possession, the Subpremises were acceptable;
 - (d) it has received a copy of the Head Lease and agrees to abide by its terms as provided for therein, subject to any exceptions contained herein; and
 - (e) all capitalized words and phrases in this Sublease and not defined herein have the meanings given to them in the Head Lease.

ARTICLE 2— TERM

The term of this Sublease shall be for a period of Ten (10) years commencing on the 1st day of December 2017 (the "Commencement Date") and continuing up to and including the 30th day of November 2027(the "Term").

ARTICLE 3- RENT

Section 3.1 Basic Rent

(1) The Subtenant agrees to pay the Sublandlord without deduction, abatement or set-off an annual basic rent ("Basic Rent") in accordance with the attached Schedule "A", payable in equal consecutive monthly instalments on the 1st day of each month during the Term.

Section 3.2 Additional Rent

(1) From and after the Commencement Date, the Subtenant shall pay to the Sublandlord or as the Sublandlord otherwise directs, all amounts that the Sublandlord is required to pay to the Head Landlord under the Head Lease as additional rent ("Additional Rent"), including, without limitation, the following:

- (1) the Subtenant's Proportionate Share of all Taxes payable by the Sublandlord under the Head Lease or otherwise levied upon the Sublandlord in connection with its lease of the Subpremises;
- (2) the Subtenant's Proportionate Share of all Operating Costs payable by the Sublandlord under the Head Lease. Subtenant's Proportionate Share of the Tenant's share of Taxes and the Tenant's Proportionate Share of Operating Costs, all as defined in the Head Lease.;
- (3) all taxes levied, rated, charged or assessed in respect of fixtures and improvements installed in or to the Subpremises and on all moveable trade fixtures, furniture and equipment in or on the Subpremises;
- (4) every tax, rate, duty, assessment and licence fee in respect of any and every business conducted on or from the Subpremises and on account of the use or occupancy of the Subpremises by the Subtenant, including, without limitation, all business taxes, rates and licences;
- (5) all rates or charges for telephone, water, electricity, gas or other public utilities supplied to the Subpremises (including works and services in connection therewith) as well as any municipal sewer charges or levies.

Provided that the Subtenant's use of any utilities that are not separately metered for the Subpremises is consistent with the normal use of for the Building, the Subtenant's share of such utility charges shall be Subtenant's Proportionate Share of all such costs in respect of the Premises payable by the Sublandlord under the Head Lease. If the Subtenant has excessive use of any such utilities the Sublandlord may make such allocation as is reasonable in the circumstances;

- (6) all premiums for insurance required to be effected by the Subtenant hereunder and its share of the premiums for insurance effected by the Sublandlord with respect to the Building;
- (7) its share of the costs payable by the Sublandlord under the terms of the Head Lease relating to the repair and maintenance of the Building, and all costs associated with the repair and maintenance of leasehold improvements in the Subpremises; and
- (8) any multi-stage sales tax levied or imposed by the federal and/or provincial government, whether in the form of a harmonized sales tax, goods and services tax, a value-added tax, a national sales tax or business transfer tax (collectively "Sales Tax") to the extent that any such tax is imposed on any Basic Rent or Additional Rent or any portion thereof payable by the Subtenant under this Sublease.
- (9) The "Subtenant's Proportionate Share" shall be the fraction, the numerator of which is the area of the Subpremises and the denominator of which is the area of the Premises. Except as otherwise provided herein, the Subtenant's obligations with respect to all sums payable under the Head Lease shall be calculated by multiplying the amount payable by the Sublandlord pursuant to the Head Lease by the Subtenant's Proportionate Share.
- (10) All such amounts (except for Sales Tax) shall be Additional Rent for the purposes of this Sublease and shall be payable on the date and in the manner set out in the Head Lease. If and so often as the Subtenant neglects

or omits to pay all or any portion of the amounts payable as Additional Rent when the same become due and payable, the Sublandlord shall be entitled to pay the same and collect the same from the Subtenant as rent hereby reserved and in arrears. Notwithstanding that Sales Tax is not Additional Rent, the Sublandlord shall have the same rights and remedies against the Subtenant in the event of any failure by the Subtenant to pay the same as it has for a failure by the Subtenant to pay Additional Rent.

Section 3.3 Deposits

- (1) The Sublandlord acknowledges receipt of deposit to be applied to the last months of Basic Rent accruing hereunder.
- (2) Before being entitled to occupy the Subpremises, the Subtenant shall pay to the Sublandlord a deposit in the sum of one month's rent, in accordance with Schedule "A" attached hereto (the "Security Deposit"), to be held by the Sublandlord as security for the performance by the Subtenant of all the covenants, obligations and agreements herein to be observed and performed by the Subtenant. If the Subtenant shall default in observing or performing any of such covenants, obligations or agreements the Sublandlord may, at its option and upon ten (10) days written notice to the Subtenant, appropriate and apply the Deposit, or so much of it as may in the Sublandlord's sole discretion and opinion be necessary, to compensate the Sublandlord for any Basic Rent or Additional Rent outstanding and for loss or damage suffered or sustained by the Sublandlord arising out of or in connection with such default by the Subtenant. Upon demand of the Sublandlord following any such appropriation the Subtenant shall pay to the Sublandlord an amount sufficient to restore the total original amount of the Deposit. Prior to the expiry of the Term the Sublandlord shall inspect the Subpremises and advise the Subtenant of any state of non-repair of or damage to the Subpremises and on the estimated cost of repair and restoration. The Sublandlord may apply the Deposit, *pro tanto*, to the estimated cost of repair and restoration. So long as the Subtenant is not then in default of any of its covenants, obligations or agreements under the Lease, so much of the Deposit as then remains unappropriated in the Sublandlord's possession shall be returned to the

Subtenant. In the event of a transfer or assignment of this Lease by the Sublandlord, the Sublandlord may transfer the Deposit or so much thereof as shall then remain, to the transferee or assignee and thereupon the Sublandlord shall be freed and discharged from any further liability in connection with the Deposit.

Section 3.4 Adjustment of Rent

If the Term commences on any day other than the first day of a month or ends on any day other than the last day of a month, Basic Rent and Additional Rent, if any, for such fraction of a month shall be adjusted on a per diem basis, based upon a period of 365 days.

ARTICLE 4 – SUBTENANT’S COVENANTS

The Subtenant covenants with the Sublandlord as follows:

- (1) to pay the Basic Rent and Additional Rent and all Sales Tax imposed thereon, as provided for herein;
- (2) to perform and observe all covenants to be observed and performed by the Sublandlord under the Head Lease relating to the Subpremises other than the covenant to pay Base Rent thereunder. The Subtenant shall not do or cause to be done or suffer or permit any act to be done that would or might cause the Head Lease, or the rights of the Sublandlord as tenant under the Head Lease to be endangered, cancelled, terminated, forfeited or surrendered or which would or might cause the Sublandlord to be in default thereunder or liable for any damage, claim or penalty. The Subtenant hereby agrees to defend, indemnify and hold the Sublandlord harmless from and against any and all claims, actions, damages, losses, liabilities and expenses (including those in connection with bodily injury (including death), personal injury or damage to property) arising from or out of the occupancy or use by the Subtenant of the Subpremises or occasioned wholly or in part by a default by the Subtenant of its obligations under this Sublease, or by any act or omission of the Subtenant, its officers,

employees, agents, contractors, invitees, licensees or by any person permitted by the Subtenant to be on the Subpremises, or due to or arising out of any breach by the Subtenant of this Sublease. If the Sublandlord shall, without fault on its part, be made a party to any litigation commenced by or against the Subtenant, then the Subtenant shall protect, indemnify and hold the Sublandlord harmless in connection with such litigation. The Sublandlord may at its option participate in any litigation or settlement discussions relating to the foregoing; and

- (3) without limiting the generality of subparagraph (2) of this Article 4, the Subtenant covenants with the Sublandlord to take out and maintain from and after the earlier of the date the Subtenant takes occupancy of the Subpremises and the Commencement Date in the names of the Subtenant, the Sublandlord and the Head Landlord and every mortgagee of the Premises, insurance in accordance with the obligations of the Sublandlord under the Head Lease. All policies required to be obtained by the Subtenant shall contain a waiver of subrogation by the insurer in favour of the Sublandlord and the Head Landlord and their respective employees, agents, servants, shareholders, officers and directors and shall contain an undertaking by the insurers to notify the Sublandlord in writing not less than thirty (30) days prior to any cancellation or termination thereof. Prior to taking occupancy of the Subpremises the Subtenant shall furnish to the Sublandlord certificates of a policy or policies of an insurance company or companies acceptable to the Sublandlord, acting reasonably, evidencing that the required insurance coverage has been obtained. If the Head Landlord or the Sublandlord incur any additional costs for fire, liability or rental income insurance as a result of the Subtenant occupying the Subpremises, the Subtenant shall reimburse the Head Landlord or the Sublandlord, as the case may be, in full for such additional cost, including all expenses related thereto.

ARTICLE 5- SUBLANDLORD'S COVENANTS

The Sublandlord covenants with the Subtenant as follows:

- (1) for quiet enjoyment;
- (2) to pay rent in accordance with the terms of the Head Lease;
- (3) to perform and observe the covenants on its part contained in the Head Lease with respect to the Premises so far as such covenants are not required to be performed and observed by the Subtenant, and at all times to keep the Subtenant indemnified against all actions, expenses, claims and demands on account of the non-performance of such covenants so far as such covenants are not required to be performed and observed by the Subtenant. Notwithstanding anything to the contrary herein, the rights that the Subtenant may enjoy pursuant to the Head Lease shall exist only against the Head Landlord. The Sublandlord shall have no duty to perform any obligations of the Head Landlord and shall under no circumstances be responsible or liable to the Subtenant for any default, failure or delay on the part of the Head Landlord in the performance of any obligations under the Head Lease, nor shall such default of the Head Landlord affect this Sublease or waive or defer the performance of any of the Subtenant's obligations hereunder. However, in the event of any such default or failure of performance by the Head Landlord, the Sublandlord agrees upon notice from the Subtenant, to make demand upon the Head Landlord to perform its obligations under the Head Lease; and
- (4) that the Head Lease is presently in full force and effect and that all rent and other payments required to be made thereunder have been made to the date hereof.

ARTICLE 6

ARTICLE 7- DEFAULT

(1) If the Subtenant defaults in the performance of any of its obligations hereunder, the Sublandlord shall have the same rights and remedies against the Subtenant as the Head Landlord has against the Sublandlord as Tenant under the Head Lease, including, notwithstanding anything to the contrary contained in the Head Lease and without limitation, the right of immediate re-entry in the case of the non-payment of Basic Rent or Additional Rent.

(2) In the event of termination of this Sublease by the Sublandlord as a result of any default by the Subtenant of any of the covenants and obligations to be observed and performed by it hereunder, the Subtenant shall remain liable for all Basic Rent and Additional Rent and other sums due under this Sublease for the remainder of what would have been the Term (less the amount of any net rentals collected upon a reletting for any part of such period), for all damages arising out of its default including damages for the loss of the benefit of this Sublease for the unexpired balance of the Term and for all costs incurred in connection with the reletting of the Subpremises. The Sublandlord shall have no duty or obligation to relet the Subpremises or any part thereof. The Sublandlord shall have the right to accelerate the rental due hereunder in the event of termination for default. The Sublandlord shall also have the right to enter and take possession of the Subpremises in the event of any default and terminate this Sublease. In addition to any and all remedies set forth herein, the Sublandlord shall have all remedies available at law or equity and any and all remedies shall be cumulative and non-exclusive.

ARTICLE 8— ASSIGNMENT, SUBLEASE

Notwithstanding anything to the contrary contained in the Head Lease, the Subtenant shall not assign this Sublease or sublet the whole or any part of the Subpremises or permit the Subpremises or any part thereof to be used or occupied by others or enter into any other agreement or transaction which may be restricted by the Head Lease without the previous written consent of the Head Landlord and the

Sublandlord, which consent by the Sublandlord shall not be unreasonably withheld, provided that the refusal by the Head Landlord to any further assignment or subletting shall not be considered an unreasonable withholding of consent by the Sublandlord. Notwithstanding any assignment or subletting or other dealings by the Subtenant permitted hereunder, the Subtenant shall continue to be responsible for all of the obligations of the Subtenant under this Sublease.

ARTICLE 9 – NET LEASE

The Subtenant acknowledges and agrees that it is intended that this Sublease be completely carefree net sublease to the Sublandlord, that except for the Sublandlord's obligation to pay rent pursuant to the terms of the Head Lease, the Sublandlord shall not be responsible during the Term for any costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Subpremises, or the use and occupancy thereof, or the business carried on therein, and the Subtenant shall pay all charges, impositions and costs and expenses of every nature and kind relating to the Subpremises except as expressly herein set out.

ARTICLE 10 – NOTICE

Any notice, request or demand herein provided or permitted to be given will be sufficiently given if personally served or mailed by prepaid registered mail as follows:

- (a) to the Sublandlord at 5151 Hwy 17 West, Mattawa, ON P0H 1V0; and
- (b) to the Subtenant at the Subpremises.

Any notice mailed as aforesaid shall be deemed to have been received on the third business day following the date of mailing, except that in the event of any actual or apprehended stoppage or slowdown of the postal system due to any labour dispute, notices shall be considered to have been given only on the date of delivery thereof.

ARTICLE 11 – MISCELLANEOUS

Section 11.1 Registration

The Subtenant shall not register this Sublease or notice thereof on the title of the lands upon which the Building is located.

Section 11.2 Effect

This Sublease shall be binding upon the parties hereto, their respective successors and permitted assigns and may not be altered, amended or modified except by written instrument executed by each of the parties hereto.

Section 11.3 Entire Agreement

This Sublease constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

Section 11.4 Further Assurances

Each party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Sublease.

Section 11.5 Waiver

One or more waivers of any covenant or condition by the Sublandlord shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition and the consent or approval by the Sublandlord to or of any act of the Subtenant requiring the Sublandlord's consent or approval shall not be construed to waive or render unnecessary the Sublandlord's consent or approval to or of any subsequent similar act by the Subtenant.

Section 11.6 Binding Nature

The submission of this Sublease for examination by the Subtenant, whether or not executed by the Sublandlord, shall not constitute an offer or agreement, and there shall be no obligation on the part of the Sublandlord to the Subtenant hereunder until the

Sublease has been fully executed and delivered by both the Sublandlord and the Subtenant.

Section 11.7 Interpretation

Unless the context otherwise requires, words importing the singular in number only shall include the plural and vice versa, words importing the use of gender shall include the masculine, feminine and neuter genders, and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities. If this Sublease has been executed by more than one party as Subtenant, their obligations hereunder shall be joint and several, and all references to the "Subtenant" herein shall refer to all such parties, as the context requires.

Section 11.8 Counterparts

This Sublease may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

Section 11.9 Electronic Delivery

Any party may deliver an executed copy of this Sublease by fax or other electronic means and such party shall thereafter promptly deliver to the other parties an original executed copy of this Sublease.

Section 11.10 Governing Law

This Sublease will be construed and governed by the laws of the province in which the Premises are situated and the laws of Canada applicable in such province.

[The Remainder of this page left intentionally blank.]

The parties have executed this Sublease.

210 HARRY WALKER HOLDINGS INC.

By: _____
Name: Luc Stang
Title: President

By: _____
Name: Renzo Silveri
Title: Secretary

DEL EQUIPMENT INC

By: _____
Name: Luc Stang
Title: President & CEO

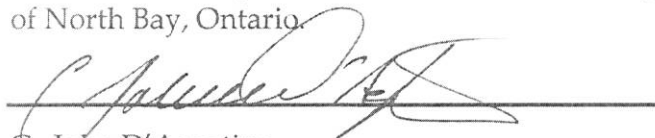
By: _____
Name: Paul Martin
Title: Secretary

Schedule A

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
	May 1,2018 to March 31, 2019	April 1,2019 to June 30, 2019	July 1, 2019 to Nov 30, 2020	December 1,2020 to Nov 30, 2023	December 1,2023 to Nov 30, 2027
Monthly Basic Rent	\$61,751	\$53,773	\$46,172	\$48,056	\$49,979
Square Footage	87,555	68,511	52,701	52,701	52,701
% of Building Utilization	83%	65%	50%	50%	50%

T A B F

Exhibit "F" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.

A handwritten signature in black ink, appearing to read "C. John D'Agostino", is written over a solid horizontal line.

C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

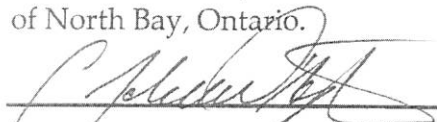
Gincor Werx - Del Equipment Inc. - Summary of Accounts Receivable
As at 2019-08-28

GCI Books	Del
Accounts Receivable	802,126.77
DIL Books	Del
Accounts Receivable	505,306.56
JCT Books	Del
Accounts Receivable	- 62,839.72
GTW Books	Del
Accounts Receivable	-
210 HW Books	Del
Accounts Receivable	219,570.75
DBIL	Del
Accounts Receivable	20,965.48
Gincor Werx (All Companies above)	Del
Amount Owing from Del	1,485,129.84

Breakdown of Net Amounts Owing from Del	Del
Rent - 210 HWP Newmarket	219,570.75
Trade Receivables	1,265,559.09
Trade Payables -	188,923.74
Net amount Owing from Del	1,296,206.10

TAB G

Exhibit "G" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

DURABODY INDUSTRIES LIMITED

OTR-1572014451808

Thursday, August 29, 2019 - Thursday, October 24, 2019



Account Name:	Account:	Branch:	Currency:
GCI CURRENT 520	5202785	3120	CAD

B/D	Description	Debit	Credit	Date	Balance
	Balance Forward			08/29/2019	\$1,097.96
	FX TFR C#00024730917	\$40,289.40		08/29/2019	
	190829S8745200WIRE		\$62,402.33	08/29/2019	
	GST34 8350267 BUS	\$193,802.57		08/29/2019	
	CHQ#21093-0140687075	\$81.56		08/29/2019	
	CHQ#21097-3142464065	\$999.30		08/29/2019	
	CHQ#21044-4140085758	\$552.80		08/29/2019	
	BCRS ADVANCE		\$175,000.00	08/29/2019	\$2,774.66
	190830S0892100WIRE		\$85,297.50	08/30/2019	
	JO004 To3120 5239875	\$77,029.84		08/30/2019	
	JO014 Fr3120 5239875		\$27,635.80	08/30/2019	
	RDC DEPOSIT		\$203,542.23	08/30/2019	
	JO592 To3102 5265453	\$93,154.43		08/30/2019	
	JQ002 Fr3102 5265453		\$83,349.98	08/30/2019	
	ELAVON MRCH SVC MSP		\$1,000.00	08/30/2019	
	ELAVON MRCH SVC MSP		\$2,132.24	08/30/2019	
	CHQ#21069-0141700478	\$67.80		08/30/2019	
	CHQ#21077-0141192986	\$17,131.25		08/30/2019	
	CHQ#21108-0141192989	\$77,667.54		08/30/2019	
	CHQ#21010-0142019525	\$2,203.50		08/30/2019	
	CHQ#21051-0141374672	\$565.00		08/30/2019	
	CHQ#21125-0141396254	\$26,618.75		08/30/2019	
	CHQ#21124-0141396257	\$247,645.15		08/30/2019	
	CHQ#21126-0141396260	\$39,766.02		08/30/2019	
	CHQ#21094-3143262308	\$288.15		08/30/2019	
	CHQ#21029-3143467598	\$149.16		08/30/2019	
	CHQ#21064-4141422576	\$52,606.97		08/30/2019	
	CHQ#21080-4141486095	\$977.76		08/30/2019	
	CHQ#21106-0142055882	\$1,473.24		08/30/2019	
	SERVICE CHARGE	\$332.50		08/30/2019	
	ITEMS DEP FEE	\$20.24		08/30/2019	
	PAPER STMT FEE	\$5.00		08/30/2019	
	BCRS ADMIN FEE	\$300.00		08/30/2019	
	BCRS LOAN INTEREST	\$12,436.51		08/30/2019	
	BCRS ADVANCE		\$245,000.00	08/30/2019	\$293.60
	City of Kingsto AP		\$898.35	09/03/2019	
	MAXIM AP		\$3,827.69	09/03/2019	
	RDC DEPOSIT		\$51,089.08	09/03/2019	
	GEORGE STOCKFIS RLS	\$910.71		09/03/2019	
	GEORGE STOCKFIS RLS	\$1,134.52		09/03/2019	
	GEORGE STOCKFIS RLS	\$1,450.57		09/03/2019	
	GEORGE STOCKFIS RLS	\$1,555.16		09/03/2019	
	MACEWEN PETROL BPY	\$4,508.44		09/03/2019	
	FORD CREDIT CA APY	\$744.81		09/03/2019	
	ELAVON MRCH SVC MSP	\$99.79		09/03/2019	
	ELAVON MRCH SVC MSP	\$441.10		09/03/2019	
	ELAVON MRCH SVC MSP	\$556.86		09/03/2019	
	RWAM INSURANCE MSP	\$838.01		09/03/2019	
	RWAM INSURANCE MSP	\$2,004.18		09/03/2019	

B/D	Description	Debit	Credit	Date	Balance
	RWAM INSURANCE MSP	\$14,596.18		09/03/2019	
	TAX PYT FEE	\$2.00		09/03/2019	
	CHQ#20600-1142116896	\$835.17		09/03/2019	
	CHQ#21054-4141803942	\$2,025.96		09/03/2019	
	TD20172601520 CER	\$2,031.40		09/03/2019	
	CHQ#21115-1142967654	\$1,605.03		09/03/2019	
	CHQ#21113-1142969229	\$1,500.00		09/03/2019	
	CHQ#21112-1142969232	\$5,039.48		09/03/2019	
	CHQ#20385-0144399980	\$70,126.04		09/03/2019	
	CHQ#21070-1143413334	\$2,550.00		09/03/2019	
	CHQ#21111-2142725302	\$11,865.00		09/03/2019	
	BCRS ADVANCE		\$75,000.00	09/03/2019	\$4,688.31
	CERVUS EQUIPMEN PAY		\$54,640.81	09/04/2019	
	RDC DEPOSIT		\$43,075.61	09/04/2019	
	O00743 Payworks PAY	\$208,560.24		09/04/2019	
	VW CREDIT CAN LOAN	\$2,678.07		09/04/2019	
	ELAVON MRCH SVC MSP		\$42.38	09/04/2019	
	ELAVON MRCH SVC MSP		\$3,365.57	09/04/2019	
	CHQ#21122-0144942704	\$3,238.88		09/04/2019	
	CHQ#21109-2143658227	\$1,800.00		09/04/2019	
	CHQ#21119-2143079890	\$4,721.28		09/04/2019	
	CHQ#21110-4144793988	\$2,938.00		09/04/2019	
	CHQ#21013-4144795206	\$170.69		09/04/2019	
	BCRS ADVANCE		\$120,000.00	09/04/2019	\$1,705.52
	GC 3409-DEPOSIT		\$304,889.82	09/05/2019	
	190905S8619100WIRE		\$811,669.75	09/05/2019	
	RDC DEPOSIT		\$21,886.46	09/05/2019	
	COUNTY OF RENFR MSP		\$8,055.49	09/05/2019	
	FIRST DATA CORP RLS	\$39.54		09/05/2019	
	LIFEWORXSLOCKBO BPY	\$308.49		09/05/2019	
	Hydro One BPY	\$1,872.73		09/05/2019	
	LN PYMT 920278504	\$1,096.90		09/05/2019	
	ELAVON MRCH SVC MSP		\$167.27	09/05/2019	
	ELAVON MRCH SVC MSP		\$262.44	09/05/2019	
	ELAVON MRCH SVC MSP		\$744.01	09/05/2019	
	ELAVON MRCH SVC MSP		\$2,029.63	09/05/2019	
	CHQ#21090-2144125111	\$6,557.37		09/05/2019	
	CHQ#21120-2144265778	\$1,455.00		09/05/2019	
	BCRS PAYMENT	\$1,140,000.00		09/05/2019	\$80.36
	1490288 ONTARIO PAY		\$161.25	09/06/2019	
	Fowler Construc AP		\$7,101.45	09/06/2019	
	RDC DEPOSIT		\$2,841.62	09/06/2019	
	G Tackaberry MSP		\$951.05	09/06/2019	
	Twp of Armour AP		\$764.17	09/06/2019	
	KIRBY INTERNATI AP		\$904.87	09/06/2019	
	TIMMINS AP		\$1,227.83	09/06/2019	
	ELAVON MRCH SVC MSP		\$790.83	09/06/2019	
	ELAVON MRCH SVC MSP		\$1,009.44	09/06/2019	
	CHQ#21078-1140834762	\$142.38		09/06/2019	
	CHQ#21116-2144963704	\$4,508.70		09/06/2019	
	CHQ#21131-4140784239	\$247,645.15		09/06/2019	
	CHQ#21132-4140784242	\$247,645.15		09/06/2019	
	CHQ#21002-1140927165	\$57,621.31		09/06/2019	
	BCRS ADVANCE		\$545,000.00	09/06/2019	\$3,270.18
	RDC DEPOSIT		\$205,887.43	09/09/2019	
	SOUTH DUNDAS AP		\$357.97	09/09/2019	

B/D	Description	Debit	Credit	Date	Balance
	ARI 56532 AP		\$9,141.47	09/09/2019	
	LN PYMT 920278514	\$3,187.98		09/09/2019	
	LN PYMT 920278511	\$2,774.03		09/09/2019	
	ELAVON MRCH SVC MSP		\$201.71	09/09/2019	
	ELAVON MRCH SVC MSP		\$2,719.75	09/09/2019	
	CHQ#21127-0148230110	\$587.60		09/09/2019	
	CHQ#21121-1142143887	\$1,146.33		09/09/2019	
	CHQ#21118-4142330745	\$7,208.51		09/09/2019	
	BCRS PAYMENT	\$205,000.00		09/09/2019	\$1,674.06
	UNITED COUNTIES MSP		\$394.46	09/10/2019	
	190910B6680000RPW	\$112,946.50		09/10/2019	
	RDC DEPOSIT		\$42,453.19	09/10/2019	
	SGLEN AP AP		\$808.42	09/10/2019	
	ARI 56533 AP		\$2,208.20	09/10/2019	
	BMO INSURANCE-I INS	\$162.59		09/10/2019	
	SEPP SUPERPASS CGB	\$3,538.27		09/10/2019	
	ELAVON MRCH SVC MSP		\$177.98	09/10/2019	
	ELAVON MRCH SVC MSP		\$987.44	09/10/2019	
	CHQ#21129-3140169902	\$1,148.46		09/10/2019	
	BCRS ADVANCE		\$70,000.00	09/10/2019	\$907.93
	DE LAGE LANDEN RLS	\$636.83		09/11/2019	
	Hydro One BPY	\$159.05		09/11/2019	
	ELAVON MRCH SVC MSP		\$1,042.36	09/11/2019	
	ELAVON MRCH SVC MSP		\$1,566.76	09/11/2019	
	CHQ#21117-2142718174	\$6,131.02		09/11/2019	
	CHQ#21135-3141178466	\$6,966.99		09/11/2019	
	CHQ#21128-4143716193	\$28,492.84		09/11/2019	
	BCRS ADVANCE		\$40,000.00	09/11/2019	\$1,130.32
	190912B7693900RPW	\$10,506.74		09/12/2019	
	GC 3409-DEPOSIT		\$199,885.03	09/12/2019	
	City of Greater AP		\$1,374.39	09/12/2019	
	FORT GARRY INDU		\$2,868.93	09/12/2019	
	RDC DEPOSIT		\$284,002.93	09/12/2019	
	ELAVON MRCH SVC MSP		\$225.93	09/12/2019	
	ELAVON MRCH SVC MSP		\$305.65	09/12/2019	
	CHQ#21130-0141582155	\$11,300.00		09/12/2019	
	CHQ#21123-3141689951	\$542.40		09/12/2019	
	CHQ#21139-4144498659	\$31,956.79		09/12/2019	
	CHQ#21138-4144498662	\$21,169.63		09/12/2019	
	CHQ#21134-4144498665	\$17,074.03		09/12/2019	
	BCRS PAYMENT	\$395,000.00		09/12/2019	\$2,243.59
	City of Kingsto AP		\$898.35	09/13/2019	
	KEN LAPAIN AND AP		\$932.25	09/13/2019	
	GC 3409-DEPOSIT		\$42,268.80	09/13/2019	
	NORTH DUNDAS AP		\$1,014.33	09/13/2019	
	TIMMINS AP		\$345.70	09/13/2019	
	ELAVON MRCH SVC MSP		\$79.92	09/13/2019	
	ELAVON MRCH SVC MSP		\$260.06	09/13/2019	
	CHQ#21136-4140092802	\$48,830.02		09/13/2019	
	CHQ#21137-4140118380	\$1,535.77		09/13/2019	
	CHQ#21133-1145135466	\$3,412.83		09/13/2019	
	BCRS ADVANCE		\$10,000.00	09/13/2019	\$4,264.38
	TOWN OF GRAVENH MSP		\$186.70	09/16/2019	
	TOWN PARRYSOUND AP		\$1,211.46	09/16/2019	
	PIONEER CONST AP		\$1,960.03	09/16/2019	
	MAXIM AP		\$3,144.75	09/16/2019	

B/D	Description	Debit	Credit	Date	Balance
	CAD/USD ACCT. TFR	\$1,346.80		09/16/2019	
	RDC DEPOSIT		\$9,459.04	09/16/2019	
	ELAVON MRCH SVC MSP		\$113.00	09/16/2019	
	ELAVON MRCH SVC MSP		\$935.65	09/16/2019	
	CHQ#21140-2140208947	\$48,200.87		09/16/2019	
	TD20172601510 CER	\$3,488.16		09/16/2019	
	BCRS ADVANCE		\$35,000.00	09/16/2019	\$3,239.18
	T OF SOUTHFRONT MSP		\$962.83	09/17/2019	
	RDC DEPOSIT		\$22,587.02	09/17/2019	
	CIBC CPD MSP	\$9,588.35		09/17/2019	
	ELAVON MRCH SVC MSP		\$270.07	09/17/2019	
	ELAVON MRCH SVC MSP		\$494.47	09/17/2019	
	CHQ#21188-2140901404	\$1,826.08		09/17/2019	
	CHQ#21154-4142267439	\$6,000.16		09/17/2019	
	CHQ#20421-4142457477	\$66,648.16		09/17/2019	
	BCRS ADVANCE		\$60,000.00	09/17/2019	\$3,490.82
	CURRIE TRUCK CE BPY		\$461.14	09/18/2019	
	GC 3110-DEPOSIT		\$1,413.01	09/18/2019	
	GC 3110-DEPOSIT		\$9,000.00	09/18/2019	
	COUNTY OF RENFR MSP		\$2,111.35	09/18/2019	
	O00743 Payworks PAY	\$207,079.54		09/18/2019	
	Hydro One BPY	\$10,644.66		09/18/2019	
	ELAVON MRCH SVC MSP		\$14.53	09/18/2019	
	ELAVON MRCH SVC MSP		\$73.34	09/18/2019	
	CHQ#21147-2141600320	\$7,814.04		09/18/2019	
	BCRS ADVANCE		\$210,000.00	09/18/2019	\$1,025.95
	TOWNSHIP OF FRO MSP		\$354.20	09/19/2019	
	City of Kingsto AP		\$409.94	09/19/2019	
	MUNOFMCDUGALL AP		\$4,574.04	09/19/2019	
	BROADSPECTRUM (MSP		\$40,759.10	09/19/2019	
	FX TFR C#00027650384	\$6,764.75		09/19/2019	
	City of Greater AP		\$3,283.26	09/19/2019	
	RDC DEPOSIT		\$17,242.39	09/19/2019	
	Hydro One BPY	\$424.63		09/19/2019	
	ELAVON MRCH SVC MSP		\$1,142.62	09/19/2019	
	CHQ#21207-1144036725	\$11,300.00		09/19/2019	
	CHQ#21162-2141725741	\$26,264.59		09/19/2019	
	CHQ#21151-2141957929	\$53,098.87		09/19/2019	
	ELAVON MRCH SVC MSP	\$134.72		09/19/2019	
	CHQ#21202-3140984996	\$434.77		09/19/2019	
	CHQ#21150-4143603594	\$7,475.94		09/19/2019	
	CHQ#21179-1144121559	\$9,867.90		09/19/2019	
	CHQ#21087-3141251042	\$49,932.71		09/19/2019	
	BCRS ADVANCE		\$100,000.00	09/19/2019	\$3,092.62
	CITY OF QUINTE MSP		\$6,205.96	09/20/2019	
	FX TFR C#00027871535	\$13,498.60		09/20/2019	
	190920S9196300WIRE		\$123,087.59	09/20/2019	
	SOUTH DUNDAS AP		\$294.44	09/20/2019	
	TIMMINS AP		\$359.84	09/20/2019	
	RDC DEPOSIT		\$6,946.32	09/20/2019	
	RBCINS-LIFE INS	\$217.80		09/20/2019	
	ELAVON MRCH SVC MSP		\$271.82	09/20/2019	
	CHQ#21172-1144747563	\$10,864.92		09/20/2019	
	CHQ#21189-0146586110	\$8,321.52		09/20/2019	
	CHQ#21163-0146594045	\$2,494.02		09/20/2019	
	CHQ#21208-0146596307	\$6,930.50		09/20/2019	

B/D	Description	Debit	Credit	Date	Balance
	CHQ#21160-0146597660	\$5,291.49		09/20/2019	
	CHQ#21176-2142980992	\$7,427.49		09/20/2019	
	CHQ#21171-1144510881	\$23.73		09/20/2019	
	CHQ#21170-1144515309	\$1,021.61		09/20/2019	
	CHQ#21164-4144450143	\$643.42		09/20/2019	
	CHQ#21191-4144459302	\$348.94		09/20/2019	
	CHQ#21183-1144826487	\$1,707.06		09/20/2019	
	CHQ#21181-4144648287	\$1,473.52		09/20/2019	
	CHQ#21169-2142646660	\$623.02		09/20/2019	
	CHQ#21177-4144659528	\$549.36		09/20/2019	
	CHQ#21192-3141386882	\$639.00		09/20/2019	
	CHQ#21180-3141660701	\$11,982.52		09/20/2019	
	CHQ#21199-3141663062	\$4,409.12		09/20/2019	
	CHQ#21146-1145067642	\$251.96		09/20/2019	
	BCRS PAYMENT	\$60,000.00		09/20/2019	\$1,538.99
	AMEX L4X9Y6	\$642.27		09/23/2019	
	AMEX L4X9Y9	\$2,163.21		09/23/2019	
	FSP-ONTARIO L4Y3K2	\$200.00		09/23/2019	
	FSP-ONTARIO L4Y3K5	\$1,050.00		09/23/2019	
	RDC DEPOSIT		\$4,420.18	09/23/2019	
	ARI 56932 AP		\$4,388.21	09/23/2019	
	CAFO Inc INS	\$23,239.72		09/23/2019	
	C.P. ALLIANCE (LOAN	\$10,000.00		09/23/2019	
	D/L INT 920278514	\$717.35		09/23/2019	
	D/L INT 920278511	\$418.76		09/23/2019	
	D/L INT 920278504	\$129.39		09/23/2019	
	ELAVON MRCH SVC MSP		\$263.19	09/23/2019	
	ELAVON MRCH SVC MSP		\$891.12	09/23/2019	
	CHQ#21195-0148224068	\$339.00		09/23/2019	
	CHQ#21143-1140756108	\$1,201.81		09/23/2019	
	CHQ#21190-1140497142	\$1,035.09		09/23/2019	
	CHQ#21196-2144310778	\$626.51		09/23/2019	
	CHQ#21215-1140553014	\$52,820.58		09/23/2019	
	CHQ#21144-2144352757	\$3,855.29		09/23/2019	
	CHQ#21194-2144418445	\$9,199.73		09/23/2019	
	CHQ#21165-2144586718	\$3,591.22		09/23/2019	
	CHQ#21141-2144586931	\$14,370.05		09/23/2019	
	CHQ#21173-2144632918	\$6,687.23		09/23/2019	
	CHQ#21197-3143239343	\$1,311.99		09/23/2019	
	CHQ#21155-3143239715	\$761.38		09/23/2019	
	CHQ#21211-4140329163	\$13,460.26		09/23/2019	
	CHQ#21220-4140364404	\$141,100.04		09/23/2019	
	CHQ#21198-4140399588	\$79.92		09/23/2019	
	CHQ#21167-1140986268	\$508.50		09/23/2019	
	CHQ#21193-1140986616	\$30,508.92		09/23/2019	
	CHQ#21156-3143476031	\$611.64		09/23/2019	
	BCRS ADVANCE		\$310,000.00	09/23/2019	\$871.83
	CERVUS EQUIPMEN PAY		\$87,483.15	09/24/2019	
	TWPMUSKOKALAKES AP		\$6,393.53	09/24/2019	
	RDC DEPOSIT		\$20,480.18	09/24/2019	
	ELAVON MRCH SVC MSP		\$312.09	09/24/2019	
	ELAVON MRCH SVC MSP		\$836.41	09/24/2019	
	ELAVON MRCH SVC MSP		\$3,869.89	09/24/2019	
	CHQ#21148-0148991876	\$1,942.54		09/24/2019	
	CHQ#21149-0148991879	\$2,235.62		09/24/2019	
	CHQ#21152-3144086231	\$2,316.82		09/24/2019	

B/D	Description	Debit	Credit	Date	Balance
	CHQ#21221-3144094256	\$49.08		09/24/2019	
	CHQ#21217-4141447818	\$440.70		09/24/2019	
	CHQ#21213-3143618039	\$508.50		09/24/2019	
	CHQ#21175-3143711489	\$784.14		09/24/2019	
	CHQ#21142-3143732324	\$447.20		09/24/2019	
	CHQ#21178-4141056402	\$24,246.91		09/24/2019	
	BCRS PAYMENT	\$85,000.00		09/24/2019	\$2,275.57
	FX TFR C#00028448046	\$2,694.50		09/25/2019	
	CANADALIFE INS	\$2,128.50		09/25/2019	
	ELAVON MRCH SVC MSP		\$487.60	09/25/2019	
	ELAVON MRCH SVC MSP		\$2,223.84	09/25/2019	
	CHQ#21203-2140595071	\$588.94		09/25/2019	
	CHQ#21174-1141809855	\$16,475.40		09/25/2019	
	CHQ#21185-1141970850	\$3,584.36		09/25/2019	
	CHQ#21216-2140130350	\$296.76		09/25/2019	
	CHQ#21182-2140178005	\$325.21		09/25/2019	
	CHQ#21153-2140320406	\$4,897.94		09/25/2019	
	CHQ#21212-4141836000	\$256.15		09/25/2019	
	BCRS ADVANCE		\$30,000.00	09/25/2019	\$3,739.25
	PIONEER CONST AP		\$3,430.58	09/26/2019	
	STNSN FUEL Q5R5U7	\$10,510.74		09/26/2019	
	IO593 TFR-TO C/C	\$497.95		09/26/2019	
	IQ003 TFR-TO C/C	\$701.35		09/26/2019	
	IQ012 TFR-TO C/C	\$149.52		09/26/2019	
	IQ021 TFR-TO C/C	\$428.05		09/26/2019	
	SABLES-SPANISH AP		\$1,093.77	09/26/2019	
	City of Greater AP		\$4,205.46	09/26/2019	
	RDC DEPOSIT		\$450,846.37	09/26/2019	
	ARI 56949 AP		\$1,846.60	09/26/2019	
	TD VISA PREAUTH PYMT	\$129.38		09/26/2019	
	TD VISA PREAUTH PYMT	\$728.90		09/26/2019	
	TD VISA PREAUTH PYMT	\$909.86		09/26/2019	
	TD VISA PREAUTH PYMT	\$1,004.25		09/26/2019	
	TD VISA PREAUTH PYMT	\$1,299.17		09/26/2019	
	TD VISA PREAUTH PYMT	\$2,246.68		09/26/2019	
	TD VISA PREAUTH PYMT	\$2,907.87		09/26/2019	
	TD VISA PREAUTH PYMT	\$33,574.63		09/26/2019	
	ELAVON MRCH SVC MSP		\$237.41	09/26/2019	
	ELAVON MRCH SVC MSP		\$936.24	09/26/2019	
	CHQ#21184-0140735921	\$1,749.24		09/26/2019	
	CHQ#21168-2141407192	\$2,034.00		09/26/2019	
	CHQ#21157-4142722872	\$4,237.50		09/26/2019	
	CHQ#21205-2140854031	\$1,551.72		09/26/2019	
	CHQ#21209-4142189364	\$359.61		09/26/2019	
	BCRS PAYMENT	\$400,000.00		09/26/2019	\$1,315.26
	EMCON I PAY		\$976.66	09/27/2019	
	GC 3409-DEPOSIT		\$754,636.60	09/27/2019	
	CBSA CUSTOMS Q8Q5J9	\$405.70		09/27/2019	
	WSIB SCHED 1 Q8R4W7	\$14,542.59		09/27/2019	
	SOUTH DUNDAS AP		\$207.33	09/27/2019	
	RDC DEPOSIT		\$91,767.43	09/27/2019	
	MUNC CALLANDER AP		\$290.91	09/27/2019	
	ARI 57034 AP		\$727.86	09/27/2019	
	BDC BUS	\$21,574.34		09/27/2019	
	ELAVON MRCH SVC MSP		\$75.17	09/27/2019	
	ELAVON MRCH SVC MSP		\$291.25	09/27/2019	

B/D	Description	Debit	Credit	Date	Balance
	ELAVON MRCH SVC MSP		\$4,890.71	09/27/2019	
	CHQ#21158-0142001681	\$988.09		09/27/2019	
	CHQ#21161-1143110847	\$565.00		09/27/2019	
	CHQ#21187-1143235293	\$1,661.27		09/27/2019	
	CHQ#21206-3141151280	\$3,101.85		09/27/2019	
	CHQ#21222-2142016003	\$88,922.86		09/27/2019	
	CHQ#21200-2142016009	\$39,949.59		09/27/2019	
	CHQ#21201-2142453415	\$3,796.36		09/27/2019	
	BCRS PAYMENT	\$675,000.00		09/27/2019	\$4,671.53
	TOWN OF GRAVENH MSP		\$282.94	09/30/2019	
	TOWN OF GREATER AP		\$362.18	09/30/2019	
	RQ410 To3120 5235446	\$37,915.59		09/30/2019	
	MUNICIPALITY OF AP		\$241.12	09/30/2019	
	RDC DEPOSIT		\$66,305.04	09/30/2019	
	MACEWEN PETROL BPY	\$1,258.26		09/30/2019	
	GST34 7375965 BUS	\$151,153.45		09/30/2019	
	LBPC LEASING CER	\$634.44		09/30/2019	
	ELAVON MRCH SVC MSP		\$339.00	09/30/2019	
	ELAVON MRCH SVC MSP		\$2,315.37	09/30/2019	
	CHQ#21159-0142788605	\$1,153.88		09/30/2019	
	CHQ#21230-0143009888	\$231.65		09/30/2019	
	CHQ#21219-2143364518	\$240.00		09/30/2019	
	ELAVON MRCH SVC MSP	\$321.81		09/30/2019	
	CHQ#21229-2144029411	\$150.00		09/30/2019	
	CHQ#21186-3142704803	\$2,599.70		09/30/2019	
	CHQ#20487-4144463244	\$7,070.83		09/30/2019	
	SERVICE CHARGE	\$352.50		09/30/2019	
	CASH DEP FEE	\$22.50		09/30/2019	
	ITEMS DEP FEE	\$18.48		09/30/2019	
	PAPER STMT FEE	\$5.00		09/30/2019	
	BCRS ADMIN FEE	\$300.00		09/30/2019	
	BCRS LOAN INTEREST	\$8,576.41		09/30/2019	
	BCRS ADVANCE		\$140,000.00	09/30/2019	\$2,512.68
	CERVUS EQUIPMEN PAY		\$354.34	10/01/2019	
	T OF SOUTHFRONT MSP		\$116.25	10/01/2019	
	BFE ON CDN AP		\$217.19	10/01/2019	
	MAXIM AP		\$583.43	10/01/2019	
	RDC DEPOSIT		\$1,783.14	10/01/2019	
	GEORGE STOCKFIS RLS	\$910.71		10/01/2019	
	GEORGE STOCKFIS RLS	\$1,134.52		10/01/2019	
	GEORGE STOCKFIS RLS	\$1,450.57		10/01/2019	
	GEORGE STOCKFIS RLS	\$1,555.16		10/01/2019	
	ELAVON MRCH SVC MSP	\$85.68		10/01/2019	
	ELAVON MRCH SVC MSP	\$264.23		10/01/2019	
	RWAM INSURANCE MSP	\$570.97		10/01/2019	
	ELAVON MRCH SVC MSP	\$634.94		10/01/2019	
	RWAM INSURANCE MSP	\$2,004.18		10/01/2019	
	RWAM INSURANCE MSP	\$14,561.27		10/01/2019	
	TAX PYT FEE	\$2.00		10/01/2019	
	ELAVON MRCH SVC MSP		\$55.48	10/01/2019	
	CHQ#20601-0144071810	\$835.17		10/01/2019	
	CHQ#21225-1141377321	\$2,938.00		10/01/2019	
	CHQ#21145-1141379568	\$792.12		10/01/2019	
	CHQ#21236-1141380195	\$23,772.83		10/01/2019	
	CHQ#21231-2145014350	\$37.13		10/01/2019	
	CHQ#21226-3143528636	\$11,865.00		10/01/2019	

109

B/D	Description	Debit	Credit	Date	Balance
	CHQ#21228-3143529872	\$1,500.00		10/01/2019	
	BCRS ADVANCE		\$60,000.00	10/01/2019	\$708.03
	FX TFR C#00029395212	\$6,724.30		10/02/2019	
	The Karson Grou BPY		\$1,374.07	10/02/2019	
	RDC DEPOSIT		\$126,910.94	10/02/2019	
	ARI 57078 AP		\$3,157.26	10/02/2019	
	O00743 Payworks PAY	\$199,472.67		10/02/2019	
	LIFEWORXSLOCKBO BPY	\$308.49		10/02/2019	
	TD20172601520 CER	\$2,031.40		10/02/2019	
	ELAVON MRCH SVC MSP		\$146.74	10/02/2019	
	ELAVON MRCH SVC MSP		\$176.51	10/02/2019	
	ELAVON MRCH SVC MSP		\$257.55	10/02/2019	
	CHQ#21166-4141576890	\$728.85		10/02/2019	
	BCRS ADVANCE		\$80,000.00	10/02/2019	\$3,465.39
	COUNTY OF RENFR MSP		\$385.15	10/03/2019	
	RDC DEPOSIT		\$5,094.40	10/03/2019	
	FORD CREDIT CA APY	\$744.81		10/03/2019	
	ELAVON MRCH SVC MSP		\$367.37	10/03/2019	
	CHQ#21227-1143057225	\$5,039.48		10/03/2019	
	CHQ#21223-1142838981	\$14,711.55		10/03/2019	
	CHQ#21224-4142939853	\$1,800.00		10/03/2019	
	ELAVON MRCH SVC MSP	\$167.33		10/03/2019	
	ELAVON MRCH SVC MSP	\$1,287.18		10/03/2019	
	CHQ#21238-1143344697	\$11,300.00		10/03/2019	
	CHQ#21210-2141738032	\$250.00		10/03/2019	
	BCRS ADVANCE		\$30,000.00	10/03/2019	\$4,011.96
	1490288 ONTARIO PAY		\$752.24	10/04/2019	
	MACEWEN PETROL BPY		\$67.63	10/04/2019	
	Fowler Construc AP		\$12,816.93	10/04/2019	
	EMP DVLP CAN U9Y3Y6	\$245.64		10/04/2019	
	RDC DEPOSIT		\$2,499.30	10/04/2019	
	CWB NL LEASING MSP		\$92,615.62	10/04/2019	
	CWB NL LEASING MSP		\$92,615.62	10/04/2019	
	TWP CENT FRONT MSP		\$164.19	10/04/2019	
	VW CREDIT CAN LOAN	\$2,678.07		10/04/2019	
	ELAVON MRCH SVC MSP		\$529.03	10/04/2019	
	ELAVON MRCH SVC MSP		\$1,712.27	10/04/2019	
	CHQ#21237-3140819321	\$406.80		10/04/2019	
	BCRS PAYMENT	\$200,000.00		10/04/2019	\$4,454.28
	UAP INC. AP		\$5,838.28	10/07/2019	
	GC 3409-DEPOSIT		\$298,872.12	10/07/2019	
	RDC DEPOSIT		\$14,401.13	10/07/2019	
	ARI 57138 AP		\$1,047.54	10/07/2019	
	FIRST DATA CORP RLS	\$39.54		10/07/2019	
	Hydro One BPY	\$1,614.31		10/07/2019	
	LN PYMT 920278514	\$3,187.98		10/07/2019	
	LN PYMT 920278504	\$1,096.90		10/07/2019	
	ELAVON MRCH SVC MSP		\$1,549.76	10/07/2019	
	CHQ#21268-2143857388	\$5,225.84		10/07/2019	
	CHQ#21241-3142418930	\$31,912.09		10/07/2019	
	CHQ#21269-3142419818	\$9,231.13		10/07/2019	
	CHQ#21244-3142603553	\$1,759.37		10/07/2019	
	CHQ#21245-3142603556	\$1,772.13		10/07/2019	
	CHQ#21250-3142768703	\$24,140.54		10/07/2019	
	CHQ#21263-4140048879	\$603.46		10/07/2019	
	BCRS PAYMENT	\$245,000.00		10/07/2019	\$579.82

B/D	Description	Debit	Credit	Date	Balance
	CERVUS EQUIPMEN PAY		\$47,832.71	10/08/2019	
	UNITED COUNTIES MSP		\$1,317.20	10/08/2019	
	RDC DEPOSIT		\$14,438.24	10/08/2019	
	ARI 57202 AP		\$1,830.60	10/08/2019	
	LN PYMT 920278511	\$2,774.03		10/08/2019	
	ELAVON MRCH SVC MSP		\$1,004.45	10/08/2019	
	ELAVON MRCH SVC MSP		\$1,719.58	10/08/2019	
	ELAVON MRCH SVC MSP		\$5,713.23	10/08/2019	
	CHQ#21282-0140401070	\$2,095.15		10/08/2019	
	CHQ#21255-0140428595	\$17,381.24		10/08/2019	
	CHQ#21261-0140429714	\$204.75		10/08/2019	
	CHQ#21281-0140160209	\$94,089.52		10/08/2019	
	CHQ#21279-0140160215	\$22,132.12		10/08/2019	
	CHQ#21243-0140611256	\$70,145.29		10/08/2019	
	CHQ#21277-0140374709	\$13,435.87		10/08/2019	
	CHQ#21278-2144973574	\$71.71		10/08/2019	
	CHQ#21267-4140661761	\$929.99		10/08/2019	
	CHQ#21214-3143234357	\$4,576.45		10/08/2019	
	CHQ#21273-3143286113	\$29,156.03		10/08/2019	
	CHQ#21239-4140574020	\$100.57		10/08/2019	
	CHQ#21257-0140730203	\$10,231.27		10/08/2019	
	BCRS ADVANCE		\$195,000.00	10/08/2019	\$2,111.84
	STOP PAYMENT FEE	\$12.50		10/09/2019	
	191009S5760200WIRE		\$558,892.55	10/09/2019	
	RDC DEPOSIT		\$317,196.53	10/09/2019	
	MACEWEN PETROL BPY	\$67.63		10/09/2019	
	SEPP SUPERPASS CGB	\$3,255.04		10/09/2019	
	ELAVON MRCH SVC MSP		\$1,684.74	10/09/2019	
	CHQ#21247-0140976020	\$616.42		10/09/2019	
	CHQ#21254-0141032225	\$19,853.42		10/09/2019	
	CHQ#21262-1141508526	\$3,164.00		10/09/2019	
	CHQ#21283-1142017347	\$12,107.43		10/09/2019	
	CHQ#21280-2140240096	\$20,640.16		10/09/2019	
	CHQ#21260-2140240099	\$17,408.78		10/09/2019	
	CHQ#21276-4141312158	\$2,615.84		10/09/2019	
	CHQ#21248-4141565136	\$4,619.58		10/09/2019	
	BCRS PAYMENT	\$795,000.00		10/09/2019	\$524.86
	UAP INC. AP		\$361.88	10/10/2019	
	RDC DEPOSIT		\$5,206.05	10/10/2019	
	ARI 57256 AP		\$3,078.90	10/10/2019	
	BMO INSURANCE-I INS	\$162.59		10/10/2019	
	ELAVON MRCH SVC MSP		\$79.92	10/10/2019	
	ELAVON MRCH SVC MSP		\$135.41	10/10/2019	
	ELAVON MRCH SVC MSP		\$1,653.57	10/10/2019	
	CHQ#21234-0141571622	\$3,672.50		10/10/2019	
	CHQ#21256-0141737900	\$3,144.75		10/10/2019	
	CHQ#21265-1142816445	\$57.03		10/10/2019	
	CHQ#21246-2140992031	\$5,992.55		10/10/2019	
	CHQ#21242-4142248740	\$1,697.24		10/10/2019	
	CHQ#21271-3144826247	\$387.67		10/10/2019	
	CHQ#21251-4141896453	\$2,825.00		10/10/2019	
	BCRS ADVANCE		\$10,000.00	10/10/2019	\$3,101.26
	EMCON I PAY		\$1,179.39	10/11/2019	
	Pleasant BPY		\$284.89	10/11/2019	
	TOWN OF KIRKLAN AP		\$213.81	10/11/2019	
	SOUTH DUNDAS AP		\$804.07	10/11/2019	

B/D	Description	Debit	Credit	Date	Balance
	DE LAGE LANDEN RLS	\$636.83		10/11/2019	
	ELAVON MRCH SVC MSP		\$2,088.71	10/11/2019	
	CHQ#21258-0142581506	\$17,085.60		10/11/2019	
	CHQ#21003-3140908031	\$52,449.15		10/11/2019	
	BCRS ADVANCE		\$65,000.00	10/11/2019	\$2,500.55
	EUROVIA QUEBEC BPY		\$3,249.46	10/15/2019	
	TOWN OF GRAVENH MSP		\$1,182.49	10/15/2019	
	T OF SOUTHFRONT MSP		\$2,177.58	10/15/2019	
	UAP INC. AP		\$5,838.28	10/15/2019	
	MAXIM AP		\$49,800.52	10/15/2019	
	FORT GARRY INDU		\$796.97	10/15/2019	
	Hydro One BPY	\$129.71		10/15/2019	
	ELAVON MRCH SVC MSP		\$111.21	10/15/2019	
	ELAVON MRCH SVC MSP		\$204.97	10/15/2019	
	CHQ#21296-0144322004	\$586.44		10/15/2019	
	CHQ#21293-0144508898	\$260.63		10/15/2019	
	CHQ#21312-0144516533	\$1,508.53		10/15/2019	
	CHQ#21297-0144558398	\$279.68		10/15/2019	
	CHQ#21218-1140201567	\$300.00		10/15/2019	
	CHQ#21272-1140201570	\$300.00		10/15/2019	
	CHQ#21252-1144901589	\$1,469.00		10/15/2019	
	CHQ#21286-1145211885	\$1,502.90		10/15/2019	
	CHQ#21300-1145216010	\$7,427.49		10/15/2019	
	CHQ#21314-1145219286	\$848.15		10/15/2019	
	CHQ#21317-2143466620	\$278,270.62		10/15/2019	
	TD20172601510 CER	\$3,488.16		10/15/2019	
	CHQ#21307-3141926915	\$1,437.17		10/15/2019	
	CHQ#21291-4144685748	\$24.86		10/15/2019	
	CHQ#21294-4144475043	\$67.86		10/15/2019	
	CHQ#21275-1140338439	\$470.31		10/15/2019	
	BCRS ADVANCE		\$235,000.00	10/15/2019	\$2,490.52
	RDC DEPOSIT		\$52,100.22	10/16/2019	
	RDC DEPOSIT		\$17,848.59	10/16/2019	
	BRUMANCONSTRUCT AP		\$4,840.01	10/16/2019	
	O00743 Payworks PAY	\$200,447.48		10/16/2019	
	ELAVON MRCH SVC MSP		\$4,594.31	10/16/2019	
	CHQ#21303-0145514792	\$5,683.05		10/16/2019	
	CHQ#21259-0145238549	\$1,267.28		10/16/2019	
	CHQ#21301-0145313924	\$17,752.75		10/16/2019	
	CHQ#21289-1140800760	\$622.87		10/16/2019	
	CHQ#21298-1140980823	\$71,455.36		10/16/2019	
	CHQ#21253-0145441244	\$28,795.91		10/16/2019	
	CHQ#21308-1140782505	\$820.71		10/16/2019	
	CHQ#21309-3143166464	\$8,503.06		10/16/2019	
	CHQ#21284-0145707578	\$4,194.28		10/16/2019	
	CHQ#21240-3143388299	\$4,081.76		10/16/2019	
	BCRS ADVANCE		\$265,000.00	10/16/2019	\$3,249.14
	CERVUS EQUIPMEN PAY		\$864.00	10/17/2019	
	CURRIE TRUCK CE BPY		\$219.88	10/17/2019	
	TWP CENT FRONT MSP		\$317.48	10/17/2019	
	RDC DEPOSIT		\$505,070.50	10/17/2019	
	CITY OF SSM AP		\$897.03	10/17/2019	
	ARI 57348 AP		\$8,022.75	10/17/2019	
	ELAVON MRCH SVC MSP		\$198.93	10/17/2019	
	ELAVON MRCH SVC MSP		\$1,735.49	10/17/2019	
	ELAVON MRCH SVC MSP		\$14,875.75	10/17/2019	

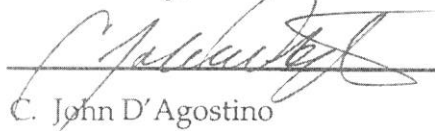
112

B/D	Description	Debit	Credit	Date	Balance
	CHQ#21266-0145988207	\$916.43		10/17/2019	
	CHQ#21274-2144944087	\$2,901.21		10/17/2019	
	CHQ#21304-2144945998	\$974.00		10/17/2019	
	CHQ#21310-2145228184	\$3,898.50		10/17/2019	
	CHQ#21299-3143557814	\$93.08		10/17/2019	
	CHQ#21302-3144179177	\$1,105.14		10/17/2019	
	CHQ#21249-4141224888	\$360.00		10/17/2019	
	BCRS PAYMENT	\$525,000.00		10/17/2019	\$202.59
	SDG COUNTIES AP		\$691.00	10/18/2019	
	FSP-ONTARIO Z9U3W4	\$200.00		10/18/2019	
	FSP-ONTARIO Z9U3W8	\$1,050.00		10/18/2019	
	EMP DVLP CAN Z9U3X6	\$334.70		10/18/2019	
	TWPMUSKOKALAKES AP		\$904.76	10/18/2019	
	RDC DEPOSIT		\$6,155.77	10/18/2019	
	ARI 57386 AP		\$2,501.54	10/18/2019	
	Fowler Construc AP		\$5,258.94	10/18/2019	
	CIBC CPD MSP	\$13,301.78		10/18/2019	
	ELAVON MRCH SVC MSP		\$382.81	10/18/2019	
	ELAVON MRCH SVC MSP		\$1,714.26	10/18/2019	
	ELAVON MRCH SVC MSP		\$4,798.67	10/18/2019	
	CHQ#21305-0147193451	\$5,599.92		10/18/2019	
	CHQ#21311-1142506581	\$441.14		10/18/2019	
	CHQ#21264-3145053737	\$6,207.32		10/18/2019	
	CHQ#21285-3144579473	\$406.80		10/18/2019	
	CHQ#21315-3145188755	\$890.89		10/18/2019	
	CHQ#21318-4142321109	\$500.00		10/18/2019	
	BCRS ADVANCE		\$10,000.00	10/18/2019	\$3,677.79
	TOWN OF ESPANOL AP		\$2,478.07	10/21/2019	
	RDC DEPOSIT		\$168,108.24	10/21/2019	
	RDC DEPOSIT		\$741.79	10/21/2019	
	RBCINS-LIFE INS	\$217.80		10/21/2019	
	Hydro One BPY	\$365.51		10/21/2019	
	Hydro One BPY	\$9,529.72		10/21/2019	
	D/L INT 920278514	\$678.80		10/21/2019	
	D/L INT 920278511	\$392.25		10/21/2019	
	D/L INT 920278504	\$120.54		10/21/2019	
	ELAVON MRCH SVC MSP		\$786.59	10/21/2019	
	ELAVON MRCH SVC MSP		\$37,067.88	10/21/2019	
	CHQ#21306-0148675184	\$40,139.64		10/21/2019	
	CHQ#21316-3141239174	\$656.74		10/21/2019	
	CHQ#21321-3141253856	\$11,300.00		10/21/2019	
	CHQ#21292-4143179127	\$361.60		10/21/2019	
	BCRS PAYMENT	\$145,000.00		10/21/2019	\$4,097.76
	CERVUS EQUIPMEN PAY		\$96,681.90	10/22/2019	
	City of Kingsto AP		\$1,698.04	10/22/2019	
	AMEX A9W5Z3	\$1,876.24		10/22/2019	
	AMEX A9W5Z8	\$419.50		10/22/2019	
	CAFO Inc INS	\$23,239.72		10/22/2019	
	ELAVON MRCH SVC MSP		\$6,354.70	10/22/2019	
	CHQ#21295-2142664636	\$2,236.84		10/22/2019	
	CHQ#21270-3141413033	\$793.15		10/22/2019	
	BCRS PAYMENT	\$80,000.00		10/22/2019	\$266.95
	RDC DEPOSIT		\$4,617.28	10/23/2019	
	G Tackaberry MSP		\$566.66	10/23/2019	
	C.P. ALLIANCE (LOAN	\$10,000.00		10/23/2019	
	ELAVON MRCH SVC MSP		\$1,755.70	10/23/2019	

B/D	Description	Debit	Credit	Date	Balance
	ELAVON MRCH SVC MSP		\$2,002.29	10/23/2019	
	CHQ#21344-3142509704	\$109,570.18		10/23/2019	
	CHQ#21356-3142523462	\$1,828.54		10/23/2019	
	CHQ#21353-2143427242	\$2,080.46		10/23/2019	
	CHQ#21325-2143440127	\$10,000.22		10/23/2019	
	CHQ#21347-2143654165	\$7,298.59		10/23/2019	
	CHQ#21361-3142232852	\$451.30		10/23/2019	
	CHQ#21333-4145088240	\$2,141.62		10/23/2019	
	CHQ#21335-4145105868	\$42,896.33		10/23/2019	
	CHQ#21354-3142576127	\$2,846.47		10/23/2019	
	BCRS ADVANCE		\$180,000.00	10/23/2019	\$95.17
	City of Greater AP		\$9,625.67	10/24/2019	
	RDC DEPOSIT		\$48,872.92	10/24/2019	
	ARI 57496 AP		\$5,421.47	10/24/2019	
	CITY OF SSM AP		\$11,208.22	10/24/2019	
	ELAVON MRCH SVC MSP		\$353.75	10/24/2019	
	CHQ#21336-0141065678	\$89.78		10/24/2019	
	CHQ#21334-0141518822	\$748.27		10/24/2019	
	CHQ#21342-0141524279	\$660.60		10/24/2019	
	CHQ#21329-1140839052	\$2,316.82		10/24/2019	
	CHQ#21324-0141384545	\$712.87		10/24/2019	
	CHQ#21346-1141038357	\$6,424.82		10/24/2019	
	CHQ#21360-2144314093	\$211.82		10/24/2019	
	CHQ#21345-3143007380	\$8,884.70		10/24/2019	
	CHQ#21358-3143008553	\$3,807.39		10/24/2019	
	CHQ#21232-3143333285	\$74,233.09		10/24/2019	
	BCRS ADVANCE		\$25,000.00	10/24/2019	\$2,487.04
	Closing Balance			10/24/2019	\$2,487.04
Totals:		\$10,415,335.83	\$10,416,724.91		
Item Count:		392	243		

TAB H

Exhibit "H" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino
A Commissioner of Oaths, etc.

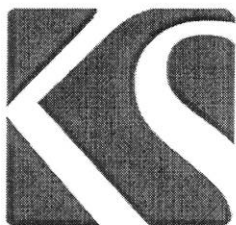
C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
Fisner Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

Rahul Shastri

From: Rahul Shastri
Sent: October 29, 2019 5:35 PM
To: 'jwadden@goodmans.ca'
Cc: 'stam@gsnh.com'; 'parent@gsnh.com'; David Winer
Subject: DEL CCAA - File 19054
Attachments: 20191029-Counsel.pdf; 20191024-Gincor Current Account Transaction History.pdf

Please see our letter of today's date together with referenced attachments.

Rahul Shastri
Kagan Shastri LLP
P. 416.368.2100 Ext. 223
E. rshastri@ksllp.ca
Privilege not waived.



Kagan
Shastri ^{LLP}
LAWYERS

RAHUL SHASTRI
T.416.368.2100 Ext. 223
F.416.324.4200
E. rshastri@ksllp.ca

116

File No.: 19054

October 29, 2019

EMAIL: jwadden@goodmans.ca

Jason Wadden
Goodmans LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON., M5H 2S7

Counsel to the Applicant

Dear Mr. Wadden:

Re: *Companies Creditors Arrangement Act* Proceedings of Del Equipment Inc.
Court File No. CV-19-629552-CL

Thank you for your letter of October 28, 2019. We have reviewed same.

We disagree that Gin-Cor has misconstrued Justice Hainey's Order. We further disagree that Gin-Cor is in breach of the same.

The Order was made pursuant to r.45.02 and mandates that Gin-Cor deliver to the Monitor the specific funds it received from Mack Defence on August 28, 2019 and September 5, 2019. Under r.45.02, the requirement at law is that the funds have not been commingled and remain in existence as at the date of the Order. Based on our review of the materials since provided to us by Gin-Cor, neither circumstance is present.

From and after August 28, 2019 through to October 23, 2019, Gin-Cor's operating account, into which the funds from Mack Defence were deposited, had debits and credits totaling in excess of \$10MM all of which represented normal operating expenses including third party supplier payments, payroll and advances and repayments under its operating line. We attach the transaction history from the account for the period in question.

Should the Applicant (or the Monitor) continue to disagree with the matters noted above, an attendance before Justice Hainey will be required.

We look forward to your advice.

Yours truly,

KAGAN SHASTRI LLP



Rahul Shastri

RS*en

Encl.

c.c. client (by email with encl)
Jennifer Stam (by email with encl.)
Katie Parent (by email, with encl.)

TAB I

Exhibit "I" to the Affidavit of Renzo Silveri, sworn
this 3rd day of November 2019 in the City of North
Bay, Ontario.


C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
68C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

DURABODY INDUSTRIES LIMITED
Loan Account Statement (Bank)
Sunday, September 01, 2019 - Monday, September 30, 2019

Account Name: GCI-Loan 92027	Account: 9202785001	Branch: 3120	Currency: CAD
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Description	Advances	Payments	Date	Balance
Balance Forward			08/31/2019	\$2,610,000.00
	\$75,000.00		09/03/2019	\$2,685,000.00
	\$120,000.00		09/04/2019	\$2,805,000.00
		\$1,140,000.00	09/05/2019	\$1,665,000.00
	\$545,000.00		09/06/2019	\$2,210,000.00
		\$205,000.00	09/09/2019	\$2,005,000.00
	\$70,000.00		09/10/2019	\$2,075,000.00
	\$40,000.00		09/11/2019	\$2,115,000.00
		\$395,000.00	09/12/2019	\$1,720,000.00
	\$10,000.00		09/13/2019	\$1,730,000.00
	\$35,000.00		09/16/2019	\$1,765,000.00
	\$60,000.00		09/17/2019	\$1,825,000.00
	\$210,000.00		09/18/2019	\$2,035,000.00
	\$100,000.00		09/19/2019	\$2,135,000.00
		\$60,000.00	09/20/2019	\$2,075,000.00
	\$310,000.00		09/23/2019	\$2,385,000.00
		\$85,000.00	09/24/2019	\$2,300,000.00
	\$30,000.00		09/25/2019	\$2,330,000.00
		\$400,000.00	09/26/2019	\$1,930,000.00
		\$675,000.00	09/27/2019	\$1,255,000.00
	\$140,000.00		09/30/2019	\$1,395,000.00
Closing Balance			09/30/2019	\$1,395,000.00

Summary

Total Advances	\$1,745,000.00
Total Item Payments	7
Total Item Advances	13
Total Payments	\$2,960,000.00
Average Balance - September	\$2,006,666.67
12 Month Avg Balance	\$2,671,919.70
Minimum Balance - September	\$1,255,000.00
Maximum Balance - September	\$2,805,000.00
Interest Collected - September	\$8,576.41
Interest Collected - YTD	\$106,392.37
Authorised Credit	\$3,995,000.00
Credit Still Available	\$2,600,000.00

DURABODY INDUSTRIES LIMITED
Loan Account Statement (Bank)
Tuesday, October 01, 2019 - Thursday, October 31, 2019

Account Name: GCI-Loan 92027	Account: 9202785001	Branch: 3120	Currency: CAD
--	-------------------------------	------------------------	-------------------------

Description	Advances	Payments	Date	Balance
Balance Forward			09/30/2019	\$1,395,000.00
	\$60,000.00		10/01/2019	\$1,455,000.00
	\$80,000.00		10/02/2019	\$1,535,000.00
	\$30,000.00		10/03/2019	\$1,565,000.00
		\$200,000.00	10/04/2019	\$1,365,000.00
		\$245,000.00	10/07/2019	\$1,120,000.00
	\$195,000.00		10/08/2019	\$1,315,000.00
		\$795,000.00	10/09/2019	\$520,000.00
	\$10,000.00		10/10/2019	\$530,000.00
	\$65,000.00		10/11/2019	\$595,000.00
	\$235,000.00		10/15/2019	\$830,000.00
	\$265,000.00		10/16/2019	\$1,095,000.00
		\$525,000.00	10/17/2019	\$570,000.00
	\$10,000.00		10/18/2019	\$580,000.00
		\$145,000.00	10/21/2019	\$435,000.00
		\$80,000.00	10/22/2019	\$355,000.00
	\$180,000.00		10/23/2019	\$535,000.00
	\$25,000.00		10/24/2019	\$560,000.00
		\$125,000.00	10/25/2019	\$435,000.00
	\$485,000.00		10/28/2019	\$920,000.00
		\$75,000.00	10/29/2019	\$845,000.00
	\$245,000.00		10/30/2019	\$1,090,000.00
	\$65,000.00		10/31/2019	\$1,155,000.00
Closing Balance			10/31/2019	\$1,155,000.00

Summary

Total Advances	\$1,950,000.00
Total Item Payments	8
Total Item Advances	14
Total Payments	\$2,190,000.00
Average Balance - October	\$837,096.77
12 Month Avg Balance	\$2,499,392.82
Minimum Balance - October	\$355,000.00
Maximum Balance - October	\$1,565,000.00
Interest Collected - October	\$3,696.97
Interest Collected - YTD	\$110,089.34
Authorised Credit	\$3,995,000.00
Credit Still Available	\$2,840,000.00

TAB J

Exhibit "J" to the Affidavit of Renzo Silveri, sworn
this 3rd day of November 2019 in the City of North
Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

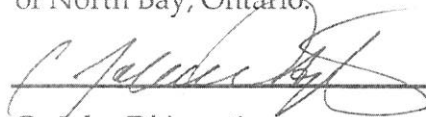
CGI Cash Position

Date	Operating Account 5202***	Operating Loan 9202*****	Cumulative Balance
28-Aug-19	\$1,097.96	-\$2,190,000.00	-\$2,188,902.04
29-Aug-19	\$2,774.66	-\$2,365,000.00	-\$2,362,225.34
30-Aug-19	\$293.60	-\$2,610,000.00	-\$2,609,706.40
03-Sep-19	\$4,668.31	-\$2,685,000.00	-\$2,680,331.69
04-Sep-19	\$1,705.52	-\$2,805,000.00	-\$2,803,294.48
05-Sep-19	\$80.36	-\$1,665,000.00	-\$1,664,919.64
06-Sep-19	\$3,270.18	-\$2,210,000.00	-\$2,206,729.82
09-Sep-19	\$1,674.06	-\$2,005,000.00	-\$2,003,325.94
10-Sep-19	\$907.93	-\$2,075,000.00	-\$2,074,092.07
11-Sep-19	\$1,130.32	-\$2,115,000.00	-\$2,113,869.68
12-Sep-19	\$2,243.59	-\$1,720,000.00	-\$1,717,756.41
13-Sep-19	\$4,264.38	-\$1,730,000.00	-\$1,725,735.62
16-Sep-19	\$3,289.18	-\$1,765,000.00	-\$1,761,710.82
17-Sep-19	\$3,490.82	-\$1,825,000.00	-\$1,821,509.18
18-Sep-19	\$1,025.00	-\$2,035,000.00	-\$2,033,975.00
19-Sep-19	\$3,092.62	-\$2,135,000.00	-\$2,131,907.38
20-Sep-19	\$1,538.99	-\$2,075,000.00	-\$2,073,461.01
23-Sep-19	\$871.83	-\$2,385,000.00	-\$2,384,128.17
24-Sep-19	\$2,275.57	-\$2,300,000.00	-\$2,297,724.43
25-Sep-19	\$3,739.25	-\$2,330,000.00	-\$2,326,260.75
26-Sep-19	\$1,315.26	-\$1,930,000.00	-\$1,928,684.74
27-Sep-19	\$4,671.53	-\$1,255,000.00	-\$1,250,328.47
30-Sep-19	\$2,512.68	-\$1,395,000.00	-\$1,392,487.32
01-Oct-19	\$708.03	-\$1,455,000.00	-\$1,454,291.97
02-Oct-19	\$3,465.39	-\$1,535,000.00	-\$1,531,534.61
03-Oct-19	\$4,011.96	-\$1,565,000.00	-\$1,560,988.04
04-Oct-19	\$4,454.28	-\$1,365,000.00	-\$1,360,545.72
08-Oct-19	\$2,111.84	-\$1,120,000.00	-\$1,117,888.16
09-Oct-19	\$524.86	-\$520,000.00	-\$519,475.14

10-Oct-19	\$3,101.26	-\$530,000.00	-\$526,898.74
11-Oct-19	\$2,500.55	-\$595,000.00	-\$592,499.45
15-Oct-19	\$2,490.52	-\$830,000.00	-\$827,509.48
16-Oct-19	\$3,249.14	-\$1,095,000.00	-\$1,091,750.86
17-Oct-19	\$202.59	-\$570,000.00	-\$569,797.41
18-Oct-19	\$3,677.79	-\$580,000.00	-\$576,322.21
21-Oct-19	\$4,097.76	-\$435,000.00	-\$430,902.24
22-Oct-19	\$266.95	-\$355,000.00	-\$354,733.05
23-Oct-19	\$95.17	-\$535,000.00	-\$534,904.83
24-Oct-19	\$2,487.04	-\$560,000.00	-\$557,512.96

TAB K

Exhibit "K" to the Affidavit of Renzo Silveri,
sworn this 3rd day of November 2019 in the City
of North Bay, Ontario.



C. John D'Agostino

A Commissioner of Oaths, etc.

C. John D'Agostino
C. John D'Agostino Law
Professional Corporation
Barristers & Solicitors
255C Fisher Street, North Bay, ON, P1B 2C8
LSUC No. 33213Q

OPTION AGREEMENT

THIS OPTION AGREEMENT is made as of the 30th day of April, 2018.

BETWEEN

HOLT INDUSTRIES, INC., a corporation incorporated under the laws of the State of New York

(hereinafter the "Shareholder")

OF THE FIRST PART

-and-

GCD HOLDINGS (2017) LIMITED, a corporation incorporated under the laws of the Province of Ontario

(hereinafter the "Option Holder")

OF THE SECOND PART

WHEREAS the Shareholder is the absolute owner of all of the Common Shares in Del Hydraulics, Inc. (the "Corporation") as more specifically described below;

AND WHEREAS the Shareholder has agreed to grant to the Option Holder the right to purchase all of its Common Shares in the Corporation at a prescribed price and within a prescribed period of time;

NOW THEREFORE, in consideration of all covenants, premises, representations and warranties described below, and for other good and valuable consideration the sufficiency and receipt of which is hereby acknowledged, the Shareholder and Option Holder agree as follows:

1.0 INTERPRETATION

1.1 **Definitions.** In this agreement unless otherwise stated the following terms shall have the meaning prescribed for each:

"Agreement" means the terms and conditions described in Articles 1.0 through 10.0 inclusive, and the Schedules described in Article 2.0 incorporated by reference. This Agreement also includes all subsequent amendments in writing and executed by the Parties;

“Business Day” means any day other than Saturday or Sunday or a statutory holiday so recognized by the Province of Ontario;

“Charge” means any one of any; lien, mortgage, pledge, encumbrance or other security interest of any nature or kind, and **“Charges”** means more than one of them;

“Common Shares” means all of the common shares in the Corporation owned by the Shareholder;

“EBITDA” means earnings before interest expense, income taxes, depreciation, amortization, long-lived asset impairment, restructuring charges (for example, charges to accounts receivable and inventory, employee severance costs, plant consolidation charges, branch closure), and other one-time charges and gains.

“GAAP” means generally accepted accounting principles in effect from time to time in Canada or the United States, as the case may be, applicable to the relevant Person, applied in a consistent manner from period to period;

“Option Holder Notification” means the option holder notification appended as Schedule A;

“Parties” means the Shareholder and the Option Holder, and **“Party”** means one of them, as the context provides; and

- 1.2 **Accounting Terms.** Unless otherwise stated in this Agreement, all accounting terms shall be interpreted in accordance with GAAP.
- 1.3 **Currency.** All amounts described in this Agreement are in United States of America funds unless otherwise noted.
- 1.4 **Assignment.** Neither the Shareholder nor the Option Holder may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of either the Shareholder or the Option Holder as the case may be. Notwithstanding the above, the Option Holder may, without the prior consent of the Shareholder, assign this Agreement to any member of the Gin-Cor Group of Companies provided that any such assignee is a wholly owned subsidiary of Stang Holdings Inc. Each of the Shareholder and the Option Holder covenants that they will not allow the sale, assignment, donation, encumber, transfer, mortgage, pledge, charge, subject to a security interest, hypothecate, or otherwise permit the disposal of or in any way whatsoever directly or indirectly, deal with the ownership of any of the Shares of the Shareholder or the Option Holder or securities convertible into Shares of

the Shareholder now or hereafter beneficially owned by him, except in accordance with the terms of this Agreement, or except with the prior written consent of the Shareholder or the Option Holder.

- 1.5 **Sections, Headings and Contra Proferentum.** The division of this Agreement into Articles, Sections, Paragraphs and Schedules, and the insertion of headings are for convenience of reference only and shall not affect the interpretation of construction of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section, Paragraph or Schedule refers to the prescribed Article, Section, Paragraph or Schedules to this Agreement. The Shareholder and Option Holder each acknowledges that is has participated in determining the terms and conditions of this Agreement and that any rule of construction or doctrine of interpretation, including *contra proferentum*, construing or interpreting any ambiguity against the drafting party shall not apply.
- 1.6 **Gender and Number.** Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing one gender include the other gender.
- 1.7 **Invalidity.** Any provision in this Agreement which is held to be illegal or unenforceable shall be ineffective to the extent of such illegality or unenforceability without invalidating the remaining provisions of this Agreement.
- 1.8 **Further Assurances.** The Parties shall with reasonable diligence do all things and provide all reasonable assurance as may be required to implement the provisions of this Agreement, and each Party shall provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to give effect thereto.
- 1.9 **Waiver.** No waiver of any provision of this Agreement, including waiver of a breach of this Agreement, shall constitute a waiver of any other provision or breach of this Agreement unless expressly provided otherwise. No waiver shall be binding unless executed in writing.
- 1.10 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of Ontario other than rules regarding conflict of laws. Subject to the arbitration provision of this Agreement, the courts of Ontario shall have exclusive jurisdiction to entertain any legal proceedings arising hereunder.

- 1.11 ***Time of the Essence.*** Time shall be of the essence of this Agreement and of every part hereof, and no extension or variation to this Agreement shall operate as a waiver of this provision.
- 1.12 ***Amendment.*** This Agreement may only be changed by a document in writing signed by both Parties.
- 1.13 ***Entire Agreement.*** This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter. It supersedes all prior agreements, understandings, representations, warranties, proposals, negotiations and discussions, whether oral or written, of the Parties.

2.0 SCHEDULES

- 2.1 The Schedule appended to and forming part of this Agreement are described in subsection 2.2 hereof. In the event of any inconsistency, ambiguity or conflict between the terms and conditions of this Agreement and any Schedule, the terms and conditions of this Agreement shall prevail.
- 2.2 The Schedules to this Agreement are as follows:
- | | |
|-------------|-----------------------------|
| Schedule A: | Option Holder Notification |
| Schedule B: | Purchase Price Calculation |
| Schedule C | Sustainable Working Capital |

3.0 OPTION GRANT

- 3.1 Subject to the terms and conditions of this Agreement including, without limitation, for the consideration described in Article 5.0 hereof and in accordance with the procedure described in Article 4.0, the Shareholder grants to the Option Holder, a right to purchase all right, title and beneficial interest in all of the Common Shares owned by the Shareholder.
- 3.2 The right to purchase the Common Shares granted by the Shareholder to the Option Holder under subsection 3.1 shall be in effect from the date of this Agreement until such time as the Option Holder has acquired a 51% interest in the common shares of Del Equipment Inc. or the third anniversary date of the execution of that certain Shareholders Agreement between Del Equipment Limited, GCD Holdings (2017) Limited, Paul H. Martin, Luc Stang, Stang Holdings Inc. and Del Equipment Inc. dated the 30th day of April, 2018 (the "Shareholders' Agreement") whichever date shall first occur after which

date said right shall automatically expire, forthwith, without the requirement of further notification or other communication from the Shareholder to the Option Holder.

4.0 PROCEDURE FOR EXERCISE OF THE OPTION GRANT

- 4.1 The Option Holder shall exercise the right granted by the Shareholder to purchase all of the Common Shares for the total price and the price per Common Share described in Article 6.0 by submission to the Shareholder of a signed Option Holder Notification, in the form appended to this Agreement as Schedule A, confirming the decision of the Option Holder to purchase all of the Common Shares.
- 4.2 Failure by the Option Holder to inform the Shareholder of its decision to purchase all of the Common Shares within the time period described in subsection 3.2, and by submission of the Option Holder Notification in writing described in subsection 4.1, shall void the right granted by the Shareholder to the Option Holder under this Agreement to purchase all of the Common Shares.

5.0 OPTION PRICE AND PAYMENT TERMS

- 5.1 As consideration for the right granted by the Shareholder to the Option Holder to purchase all of the Common Shares, the Option Holder shall pay to the Shareholder a deposit on account of the Purchase Price for the Common Shares the sum of THREE HUNDRED THOUSAND CDN DOLLARS (\$300,000.00 CDN) (the "Deposit"). Payment of the Deposit shall be held in trust for the Shareholder by the Del Equipment Limited's legal counsel, and delivered to the Del Equipment Limited's legal counsel concurrently with the execution of this Agreement by the Parties. Del Equipment Limited's legal counsel shall provide a confirmation notification when the Deposit has been received and placed into trust by Del Equipment Limited's legal counsel.
- 5.2 The Option Holder acknowledges and agrees that the Deposit paid to Del Equipment Limited's legal counsel under this Agreement is solely and exclusively for the right granted by the Shareholder to the Option Holder to purchase all of the Common Shares and the Deposit shall be applied to and deducted from the Purchase Price identified in Option Holder Notification contemplated in Article 6.0 herein. Except pursuant to the terms of Section 7.1.7 below, this payment is not refundable or otherwise returnable by the Shareholder to the Option Holder under any circumstance, and whether or not the Option Holder exercises the right to purchase all of the Common Shares.

6.0 PRICE FOR COMMON SHARES AND PAYMENT TERMS

6.1 For exercise of the right granted by the Shareholder to the Option Holder under this Agreement to purchase all of the Common Shares, the Option Holder shall pay to the Shareholder the sum of the fair market value of the Common Shares, which for these purposes shall be calculated as 4.7 times weighted average normalized EBITDA calculated from the Corporation's management prepared financial statements. For the purposes of this paragraph weighted average normalized EBITDA means the Corporation's earnings before interest, taxes, depreciation and amortization ("EBITDA") for the three years preceding the effective transfer date, weighting 3 times for the most current year, 2 times for the second preceding year and 1 time for the third preceding year divided by six and less all debt. The years shall be computed as follows:

- (a) the current year being the twelve-month period preceding the exercise of the right
- (b) the second preceding year being the twelve-month period preceding the current year
- (c) the third preceding year being the twelve-month period preceding the second preceding year.

Notwithstanding the above, the fair market value of the Common Shares on the effective transfer date as calculated following the valuation methodology described in this paragraph shall not be less than the figure calculated as the fair market value of the Common Shares as at the date upon which the Shareholders' Agreement has been executed by all parties following the valuation methodology described in this paragraph. An example of the calculation as at December 31, 2016 is appended at Schedule B.

6.1A The Purchase Price shall be increased or decreased by the excess or the shortfall, as the case may be, between the average of the sustainable working capital of the Corporation as set out in Schedule C attached hereto as adjusted to reflect normalized sustainable working capital based upon the average of the 2014, 2015 and 2016 fiscal year end financial statements of the Corporation and the actual sustainable working capital of the Corporation as at the date of the Option Holder Notification. For these purposes, normalized sustainable working capital shall exclude Advance Receivable, Affiliates and Accounts Receivable, Affiliates, Non-Trade.

6.2 Payment by Option Holder of the Purchase Price for all of the Common Shares shall be delivered concurrently with delivery to the Shareholder of a signed Option Holder Notification in the form appended as Schedule A to this Agreement exercising the right granted by the Shareholder to the Option Holder to purchase all of the Common Shares.

6.3 The \$300,000.00 CDN payment referred to in paragraph 5.1 shall be creditable towards the purchase price for the Common Shares as calculated as described in paragraph 6.1.

7.0 REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER

7.1 The Shareholder makes the following representations and warranties to the Option Holder acknowledging that the Option Holder is relying on each such representation and warranty in connection with the right granted by the Shareholder to the Option Holder to purchase all of the Common Shares, and with the further acknowledgment that the Option Holder would not have entered into this Agreement for the right to purchase all of the Common Shares without any of the representations and warranties of the Shareholder.

7.1.1 The Shareholder represents and warrants to the Option Holder that it has all necessary legal authority and capacity to enter into this Agreement and to the sale and transfer of all of the Common Shares to the Option Holder. There is no legal prohibition or other impediment to the sale and transfer of all of the Common Shares to the Option Holder or to any of the rights and obligations assumed by the Shareholder under this Agreement other than the required approval of the Bank of Montreal and the Royal Bank of Canada.

7.1.2 The Shareholder represents and warrants to the Option Holder that this Agreement has been duly executed and delivered by the Shareholder and is a set of legal and binding obligations of the Shareholder enforceable in accordance with its terms, except only as such enforcement may be restricted or limited by any applicable laws in regard to bankruptcy, insolvency or the enforcement of creditors' rights generally.

7.1.3 The Shareholder represents and warrants to the Option Holder that this Agreement, and its enforcement, does not conflict with any other agreement or legal obligation of the Shareholder, or cause a violation of any law, or order or judgment of any court or other legally constituted tribunal other than the agreements with the Bank of Montreal and the Royal Bank of Canada as disclosed to the Option Holder by the Shareholder.

7.1.4 The Shareholder represents and warrants to the Option Holder that it has good, complete and marketable title to, and ownership of, the Common Shares, free and clear of all Charges, and no other party has any option or other claim to ownership or any other beneficial interest in the Common Shares other than the interest of the Bank of Montreal and the Royal Bank of Canada as disclosed to the Option Holder by the Shareholder.

7.1.5 The Shareholder represents and warrants to the Option Holder that there are no other agreements, options, understandings, rights, privileges or commitments for the sale and transfer of Common Shares to any other party.

- 7.1.6 The Shareholder represents and warrants to the Option Holder that there are no claims, actions or other proceedings before any court or lawfully constituted tribunal, commission or agency that are pending, or to the knowledge of the Shareholder threatened, that could prohibit or otherwise compromise, delay or impede the sale and transfer of all of the Common Shares to the Option Holder under this Agreement, or in any manner or to any extent compromise the rights of the Option Holder under this Agreement to purchase all right, title and beneficial interest in all of the Common Shares.
- 7.1.7 In the event that either or both of the Bank of Montreal or Royal Bank of Canada do not provide their consent to the transaction contemplated herein, then the deposit referred to in Article 5.0 hereof, together with all interest accrued thereon shall be returned to the Option Holder within twenty business days of the denial of the consent of either the Bank of Montreal or Royal Bank of Canada.
- 7.1.8 The Corporation and the Shareholder jointly and severally represent and warrant that there are no known negative environmental conditions within the meaning of the Environmental Protection Act relating to any real property owned or leased by the Corporation and the Shareholder agree to indemnify and save harmless the Option Holder from and against any and all liabilities, losses, claims, damages and costs (hereinafter "Loss"), and lawyer's fees, on a substantial indemnity basis, and environmental consultant's fees and expenses, court costs and all other out-of-pocket expenses (the "Expenses") incurred or suffered by the Option Holder by reason of, resulting from, in connection with, or arising in any manner from the breach of the above representation and warranty or the inaccuracy of the above representation of the Corporation and Shareholder.
- 7.2 EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 7.0, ALL REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER TO THE OPTION HOLDER, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXCLUDED.

8.0 REPRESENTATIONS AND WARRANTIES OF THE OPTION HOLDER

- 8.1 The Option Holder makes the following representations and warranties to the Shareholder acknowledging that the Shareholder is relying on each such representation and warranty in connection with the right granted by the Shareholder to the Option Holder to purchase all of the Common Shares, and with the further acknowledgment that the Shareholder would not have entered into this Agreement for the right to purchase all of the Common Shares without any of the representations and warranties of the Option Holder.

- 8.1.1 The Option Holder represents and warrants to the Shareholder that it has all necessary legal authority and capacity to enter into this Agreement and to purchase and receive of all of the Common Shares from the Shareholder. There is no legal prohibition or other impediment to the purchase and receipt of all of the Common Shares from the Shareholder or to any of the rights and obligations assumed by the Option Holder under this Agreement.
- 8.1.2 The Option Holder represents and warrants to the Shareholder that this Agreement has been duly executed and delivered by the Option Holder and is a set of legal and binding obligations of the Option Holder enforceable in accordance with its terms, except only as such enforcement may be restricted or limited by any applicable laws in regard to bankruptcy, insolvency or the enforcement of creditors' rights generally.
- 8.1.3 The Option Holder represents and warrants to the Shareholder that this Agreement, and its enforcement, does not conflict with any other agreement or legal obligation of the Option Holder, or cause a violation of any law, or order or judgment of any court or other legally constituted tribunal.
- 8.1.4 [Intentionally Deleted].
- 8.1.5 The Option Holder represents and warrants to the Shareholder that the Option Holder has the financial capacity to pay for all of the Common Shares in accordance with the price and payment terms set out in Article 6.0.
- 8.2 EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 8.0, ALL REPRESENTATIONS AND WARRANTIES OF THE OPTION HOLDER TO THE SHAREHOLDER, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXCLUDED.

9.0 ARBITRATION

- 9.1 **Arbitration.** If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator. The arbitrator shall be appointed by agreement between the parties or, in default of agreement, such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region, upon the application of any of the said parties and a Judge of the Ontario Superior Court of Justice sitting in the Judicial District of Toronto Region shall be entitled to act as such arbitrator, if he so desires. The arbitration shall be held in the Municipality of Metropolitan Toronto. The procedure to be followed shall be agreed by the parties or, in default of agreement, determined by the

arbitrator. The arbitration shall proceed in accordance with the provisions of the Arbitrations Act (Ontario), S.O. 1991, c. 17. The arbitrator shall have the power to proceed with the arbitration and to deliver his award notwithstanding the default by any party in respect of any procedural order made by the arbitrator. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The decision arrived at by the board of arbitration, howsoever constituted, shall be final and binding and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

10.0 GENERAL PROVISIONS

- 10.1 **Notice.** Except only as otherwise stated in this Agreement, all notices, requests, demands, claims and other communications under this Agreement shall be in writing and duly given if personally delivered, sent by prepaid registered mail, facsimile, electronic mail or other form of recorded communications tested prior to transmission, addressed to the other Parties as follows:

Shareholder: Holt Industries, Inc.
571 Howard Street
Buffalo NY 14623
USA

Attention: Paul H. Martin, President
pmartin@delequipment.com

Option Holder: GCD Holdings (2017) Limited
51 Marine Drive
Callander
Ontario P0H 1H0

Attention: Luc Stang, President and Secretary-Treasurer
LucStang@gincor.com

Notice may be sent to such other address of which prior notice has been given by the recipient. Notice shall be deemed to have been received: (i) if personally delivered, as of the day it is delivered to the recipient; (ii) if mailed by prepaid registered mail, on the third (3rd) Business Day following the date of mailing; (iii) if by facsimile, at 9:00 am on the first (1st) Business Day following transmission; and (iv) if by electronic mail the first (1st) Business Day the electronic mail arrives in the recipient's electronic mail in-box,

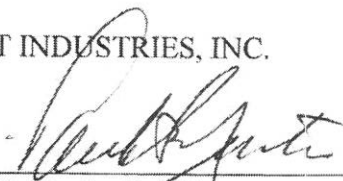
provided only that the Party sending the message has not received any automatic reply indicating that the notice has not been delivered to the recipient.

10.2 **Independent Legal Advice.** The Parties acknowledge that they have been afforded the opportunity to obtain independent legal advice in regard to their respective rights and obligations under this Agreement. The Parties further acknowledge having read this Agreement in its entirety and have executed the same, voluntarily, without duress, coercion or undue influence.

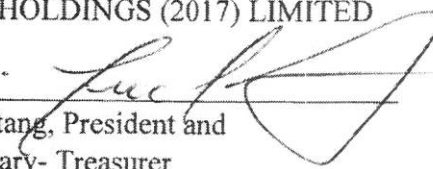
10.3 **Enurement.** This Agreement shall enure and be binding upon the respective and permitted successors, heirs and assigns of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective the date first mentioned above.

HOLT INDUSTRIES, INC.

Per: 
Paul H. Martin, President
I have authority to bind the Corporation

GCD HOLDINGS (2017) LIMITED

Per: 
Luc Stang, President and
Secretary- Treasurer
I have authority to bind the Corporation

SCHEDULE A

OPTION HOLDER NOTIFICATION

In accordance with subsection 4.1 of the Option Agreement dated April 30th, 2018, Between GCD Holdings (2017) Limited (hereinafter the "Option Holder") and Holt Industries, Inc. (hereinafter the "Shareholder"), the Option Holder hereby declares its irrevocable decision to purchase all of the Common Shares in Del Hydraulics, Inc. (the "Corporation") from the Shareholder.

Further in accordance with subsection 6.1 of the Option Agreement dated April 30th, 2018 between the Option Holder and the Shareholder, the Option Holder confirms that payment to the Shareholder for all of the Common Shares in the Corporation shall be in the amount of \$ _____ US, and payable by means of a Certified Cheque which is delivered to the Shareholder concurrent with the delivery of this Option Holder Notification.

Signed and dated at _____, and delivered by the Option Holder to the Shareholder this _____ day of _____, 2018.

GCD HOLDINGS (2017) LIMITED.

Per: _____
Luc Stang, President and Secretary-
Treasurer
I have authority to bind the Corporation

SCHEDULE B

PARAGRAPH 6.1 CALCULATION AS AT DECEMBER 31, 2016

Holt Industries Inc.

Option Agreement Paragraph 6.1 Calculation as of December 31, 2016

13-Oct-17

Prepared in \$US

Years ended	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Total</u>
Net income	\$ 448,181	\$ 421,477	\$ 253,192	
Interest	-	-	-	
Taxes	243,570	229,629	133,028	
Depreciation and amortization	11,109	4,212	3,644	
EBITDA	<u>\$ 702,860</u>	<u>\$ 655,318</u>	<u>\$ 389,864</u>	
Factor	<u>4.7</u>	<u>4.7</u>	<u>4.7</u>	
Weighting	<u>3/6</u>	<u>2/6</u>	<u>1/6</u>	
Applied	<u>\$ 1,651,721</u>	<u>\$ 1,026,665</u>	<u>\$ 305,393</u>	<u>\$ 2,983,779</u>

SCHEDULE C

SUSTAINABLE WORKING CAPITAL OF THE CORPORATION RE PARAGRAPH 6.1A

Holt Industries Inc.Option Agreement Paragraph 6.1A Calculation as of December 31, 201613-Oct-17

Prepared in \$US

December 31	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>Average</u>
Cash	\$ 26,103	\$ 33,692	\$ 21,748	
Accounts receivable	314,697	419,206	295,311	
Advance to suppliers	20,029	4,078	34,641	
Inventory	723,876	792,396	1,106,684	
Deferred income taxes	2,094	100	5,164	
Prepaid income taxes	-	-	16,574	
Prepaid and other	10,639	3,775	7,057	
Prepaid insurance	-	-	15,572	
Taxes, property	-	403	392	
Total current liabilities	(279,219)	(567,150)	(203,285)	
Year end working capital	<u>\$ 818,219</u>	<u>\$ 686,500</u>	<u>\$ 1,299,858</u>	<u>\$ 934,859</u>

DEL EQUIPMENT INC.
Applicant

Court File No. CV-19-629552-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

RESPONDING AND CROSS MOTION RECORD OF
THE RESPONDING PARTY GIN-COR INDUSTRIES
INC.

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E. rshastri@ksllp.ca / dwinner@ksllp.ca
Lawyers for the non-party,
Gin-Cor Industries Inc.

RCP-E 4C (May 1, 2016)