

SCHEDULE "C"



Court File No. 35-1842432T

ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

JUSTICE A.K. MITCHELL

) MONDAY, THE 30<sup>TH</sup> DAY

) OF MAY, 2016

BETWEEN:

CAISSE POPULAIRE POINTE-AUX-ROCHES-TECUMSEH INC.

Plaintiff

- and -

G.I. FARMS INC., VANTEC USA ONTARIO INC., 2287188 ONTARIO INC., 2027512  
ONTARIO INC. and 1690169 ONTARIO INC.

Defendants

**ORDER**  
(appointing Monitor)

THIS MOTION made by the Plaintiff for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited ("BDO") as non-CCAA monitor (in such capacities, the "Monitor") without security, on the terms set out below, in respect of the Plaintiff and Defendants was heard this day at 80 Dundas Street, London, Ontario.

ON READING the Affidavits of Peter Sciortino sworn October 30, 2015, December 8, 2015, May 16, 2016 and May 27, 2016 and the Exhibits thereto, the Affidavits of Frank Porrone sworn November 30, 2015 and May 24, 2016 and the Exhibits thereto and on hearing the submissions of counsel for the Plaintiff and Defendants and on reading the consent of BDO to act as the Monitor,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. **THIS COURT ORDERS** that the Plaintiff's motion to appoint a Receiver is hereby adjourned to July 18, 2016 on the terms contained in this Order.

3. **THIS COURT ORDERS** that BDO is hereby appointed Monitor, without security, and with only the powers granted below, of all of the assets, undertakings and Properties of the Defendants (the "Property").

**MONITOR NOT IN POSSESSION OF THE ASSETS**

4. **THIS COURT ORDERS** that the Monitor shall not operate the Defendants' businesses or take possession of the Defendants' assets without further Order of the Court.

5. **THIS COURT ORDERS** the Defendants shall remain in possession of their current and future assets, undertakings and properties, including proceeds thereof and shall carry on business in the ordinary course and shall not take any steps outside of the ordinary course of business to dissipate the business or the Property.

**MONITOR'S POWERS**

6. **THIS COURT ORDERS** that the Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor considers it necessary or desirable:

- (a) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including without limitation those conferred by this Order in consultation with, and agreement by the Defendants;

- (b) to report to, meet with and discuss with such affected Persons (as defined below) as the Monitor deems appropriate on all matters relating to the Property and the monitorship, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable; and
- (c) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

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

7. **THIS COURT ORDERS** that (i) the Defendants, (ii) all of its current directors, officers, employees, accountants (all of the foregoing collectively, being "Persons" and each being a "Person") shall forthwith advise the Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Monitor.

8. **THIS COURT ORDERS** that all Persons shall forthwith advise the Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Defendants, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall permit the Monitor to make, copies thereof and grant to the Monitor access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Monitor due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

9. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by Independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Monitor for the purpose of allowing the Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks, or bitmap image or such other manner of retrieving and copying the information as the Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Monitor with all such assistance in gaining immediate access to the information in the Records as the Monitor may in its discretion require including providing the Monitor with instructions on the use of any computer or other system and providing the Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

10. **THIS COURT ORDERS** that the Monitor shall have access to those premises wherever the books and records of the Defendants are kept, retained, stored or used, at any time or times, including evenings, weekends and holidays, and the Defendants shall take all reasonable steps to ensure that the Monitor will have such access, provided however that the Monitor shall exercise its access to the books and records of the Defendants in such a manner as to minimally interfere with the business with the Defendants.

11. **THIS COURT ORDERS** that without limiting the generality of paragraphs 8 to 10, the Monitor shall have the authority to request and obtain information, documentation and Records from any Person.

12. **THIS COURT ORDERS** that without limiting the generality of paragraphs 8 through to 10 of this Order, the Monitor shall specifically review (and the Defendants shall provide) all documents and information relating to:

- (a) The payments to IMS as part of the 2980 South Talbot Road greenhouse construction (the "Greenhouse");
- (b) The contemplated equity investment of Mike Prsa in the Greenhouse constructions;
- (c) The Construction Lien registered by Blueline Rentals Inc. on May 11, 2016 against the Greenhouse;
- (d) The Canada Revenue Agency ("CRA") *Personal Property Security Act* registration made against 1690169 Ontario Inc. on December 15, 2015;

- (e) The construction material located at the Greenhouse, including inspecting and cataloging the assets located in the highway trallers located thereon; and
- (f) Any outstanding questions identified in the Larssen Report dated May 10, 2016 related to the Greenhouse including but not limited to the KPM contract and certain cash transactions and administrative costs totalling \$500,000.00.

13. THIS COURT ORDERS that the Monitor shall not disclose any information in this proceeding to any other party save and except for their professional advisors and the Court (unless agreed to in writing by the Plaintiff and the Defendants).

#### EXAMINATION OF THE PARTIES AND SCHEDULING

14. THIS COURT ORDERS that the Plaintiff and Defendants shall abide by the timetable as set out below:

- (a) Responding materials from the Defendants to be served on the Plaintiff by June 7, 2016;
- (b) Responding materials, if any, by the Plaintiff to be served by June 14, 2016;
- (c) Cross-examinations, if any, to be held by June 24, 2016;
- (d) Transcripts to be delivered by July 4, 2016;
- (e) Factums to be exchanged by July 11, 2016;

(f) ~~Motion to be returnable July 18, 2016 pre-emptory on the Defendants.~~

#### NO PROCEEDINGS AGAINST THE MONITOR

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

**NO DISTRIBUTION OF FUNDS OUTSIDE THE ORDINARY COURSE OF BUSINESS**

16. **THIS COURT ORDERS** that the Defendants will not make any payments, including, but not limited to, distribution or dividend payments to its shareholders or others, outside of the ordinary course of business without further Order of the Court.

**RECEIVER'S ACCOUNTS**

17. **THIS COURT ORDERS** that the Monitor and counsel to the Monitor shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Monitor and counsel to the Monitor shall be entitled to and are hereby granted a charge (the "**Monitor's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Monitor's Charge shall form a first charge on the Property in priority to all security interests, trust, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.08(7), 81.4(4), and 81.6(2) of the BIA.

18. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a Judge of the Ontario Superior Court of Justice.

**LIMITATION ON THE MONITOR'S LIABILITY**

19. **THIS COURT ORDERS** that the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

**SERVICE AND NOTICE**

20. **THIS COURT ORDERS** that the e-mail service of documents shall be deemed valid and effective service upon transmission.

21. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Monitor is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Defendants' creditors or other interested parties at their respective

addresses as last shown on the records of the Defendants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

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

23. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as a receiver and/or trustee in bankruptcy of the Defendants.

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

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

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

  
JUSTICE, SUPERIOR COURT

CAISSE POPULAIRE PONTE-AUX-ROCHES-TECUMSEH INC.

Plaintiff

-- and -

G.I. FARMS INC. et al.

Defendants

Court File No. 35-1842432T

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

**ORDER**

Harrison Pensa LLP  
Barristers and Solicitors  
450 Talbot Street, 1st Floor  
P.O. Box 3237  
London, Ontario N6A 4K3

K. Daniel Reason  
Tel: (519) 679-9660  
Fax: (519) 667-3362

Solicitors for Plaintiff  
KDR/163156

4808980.2

Lee